

**RESOLUTION NO. 23-**

**CONSIDER ACTION ON A RESOLUTION OF THE CITY COUNCIL CONSENTING TO THE SALE AND ASSIGNMENT OF THE GROUND LEASEHOLD AT 4575 CLAIRE CHENNAULT DRIVE FROM CLAIRE CHENNAULT PARTNERS, LLC. TO RR INVESTMENTS, INC. FOR COMMERCIAL OFFICE AND AERONAUTICAL USE; AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE CONSENT OF LANDLORD, AS REQUIRED UNDER THE GROUND LEASE AND OTHER AGREEMENTS NECESSARY TO EFFECTUATE SAME.**

**WHEREAS**, Claire Chennault Partners, LLC is the current tenant under that certain ground lease made effective on September 28, 1983, for the airport property located 4575 Claire Chennault Drive at Addison Airport owned by the Town of Addison (the “Ground Lease”); and

**WHEREAS**, Claire Chennault Partners, LLC desires to assign all its rights, duties, and obligations under the Ground Lease to RR Investments, Inc.; and

**WHEREAS**, the City Council desires to provide the Town’s consent and authorize the City Manager to execute the same.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS:**

**SECTION 1.** The Assignment of Ground Lease with Landlord’s Consent between Claire Chennault Partners, LLC and RR Investments, Inc. for commercial office and aeronautical use, a copy of which is attached to this Resolution as **Exhibit A** (the “Assignment Agreement”), is hereby approved and the City Manager is authorized to execute the Consent of Landlord in conformance with the Ground Lease.

**SECTION 2.** This Resolution shall take effect from and after its date of adoption.

**DULY RESOLVED AND ADOPTED** by the City Council of the Town of Addison, Texas, on this 23rd day of MAY 2023.

**TOWN OF ADDISON, TEXAS**

\_\_\_\_\_  
Bruce Arfsten, Mayor

**ATTEST:**

\_\_\_\_\_  
Irma Parker, City Secretary

**EXHIBIT A**

**Assignment of Ground Lease with Landlord's Consent**

STATE OF TEXAS           §  
  §  
COUNTY OF DALLAS       §

**ASSIGNMENT OF GROUND LEASE**

This Assignment of Ground Lease (this “Assignment”) is entered into and effective as of \_\_\_\_\_ 2023, at Addison, Texas, by and between **CLAIRE CHENNAULT PARTNERS, LLC**, a Texas limited liability company (herein referred to as “Assignor”), and **RR INVESTMENTS, INC.**, a Texas corporation (herein referred to as “Assignee”).

**WHEREAS**, a Ground Lease was entered and made effective on September 28, 1983, between the City of Addison, Texas (the same being the Town of Addison, Texas (the “City”), and Addison Airport of Texas, Inc., as landlord, and Parkway Jet, Inc., as tenant, by the terms of which certain real property generally located at 4575 Claire Chennault Drive at Addison Airport within the City (and more specifically described in Exhibit “A” attached hereto and incorporated herein by reference) was leased by landlord to tenant (as amended and assigned, the “Ground Lease”); and

**WHEREAS**, on May 7, 1991, Franklin First Savings Bank became successor of Parkway Jet, Inc.’s leasehold interests by way of the Substitute Trustee’s Deed evidenced by Instrument #199100922200 recorded in the Dallas County, Texas Official Public Records (the “OPR”); and

**WHEREAS**, on May 13, 1993, the Ground Lease was assigned by Franklin First Savings Bank, successor in interest to Parkway Jet, Inc., to Aquila Leasing Company, a Texas corporation, by way of that certain Assignment of Lease publicly recorded as Instrument #199300958653 in the OPR; and

**WHEREAS**, Aquila Leasing Company assigned the Ground Lease to C.C. Hangar, LP, a Texas limited partnership by that certain Assignment of Ground Lease dated and made effective September 22, 2004; and

**WHEREAS**, the Ground Lease was amended by the First Amendment to Ground Lease dated and made effective September 22, 2004, whereby, amongst other things, the term of the Ground Lease was to be extended to August 30, 2032, provided tenant completed certain building improvements as required therein (the “Building Improvements”);

**WHEREAS**, tenant completed such Building Improvements, as affirmed by Landlord by notice delivered to tenant dated November 10, 2006, certified mail, return receipt requested; and

**WHEREAS**, on November 27, 2013, the Ground Lease was assigned by C.C. Hangar, LP to Claire Chennault Partners, LLC, a Texas limited liability company by that Assignment of Ground Lease recorded as Instrument #201300367715 in the OPR; and

**WHEREAS**, the Ground Lease provides that, upon the expiration or termination of that certain agreement referred to and defined in the Ground Lease as the “Base Lease” (and being an Agreement for Operation of the Addison Airport between the City and Addison Airport of Texas, Inc.), the City is entitled to all of the rights, benefits and remedies, and will perform the duties, covenants and obligations of the Landlord under the Ground Lease; and

**WHEREAS**, the said Base Lease has expired and the City, in its sole and absolute capacity, is the landlord (the “Landlord”) under the Ground Lease; and

**WHEREAS**, by virtue of said assignments, Assignor is the tenant under the Ground Lease; and

**WHEREAS**, a true and correct copy of the Ground Lease in its entirety, with all hereinabove said assignments, amendments and/or modifications made thereto, is attached and incorporated herein by reference as Exhibit "B"; and

**WHEREAS**, the Ground Lease provides in Section 9 thereof that, without the prior written consent of the Landlord, the tenant may not assign the Ground Lease or any rights of tenant under the Ground Lease (except as provided therein), and that any assignment must be expressly subject to all the terms and provisions of the Ground Lease, and that any assignment must include a written agreement from Assignee whereby Assignee agrees to be bound by the terms and provisions of the Ground Lease; and

**WHEREAS**, Assignor desires to assign the Ground Lease to Assignee, and Assignee desires to accept the assignment thereof in accordance with the terms and conditions of this Assignment.

**NOW, THEREFORE**, for and in consideration of the mutual promises, covenants, and conditions contained herein, the sufficiency of which is hereby acknowledged, the parties hereto, each intending to be legally bound, agree as follows:

### **AGREEMENT**

1. Assignor hereby assigns, bargains, sells, and conveys to Assignee, effective as of the date above, all of Assignor’s right, title, duties, responsibilities, and interest in and to the Ground Lease, TO HAVE AND TO HOLD the same, for the remaining term thereof, and Assignor does hereby bind itself and its successors and assigns to warrant and forever defend the same unto Assignee against every person or persons lawfully claiming any part thereof through Assignor.

2. Prior to the effective date of this Assignment, Assignee agrees to pay an Assignment Fee in the amount of One Thousand Dollars and no/100 (\$1,000.00) to Landlord.

3. Assignee hereby agrees to and shall be bound by and comply with all of the terms, provisions, duties, conditions, and obligations of tenant under the Ground Lease. For purposes of notice under the Ground Lease, the address of Assignee is:

RR Investments, Inc.  
4300 Westgrove Drive  
Addison, Texas 75001

4. Nothing in this Assignment shall be construed or be deemed to modify, alter, amend or change any term or condition of the Ground Lease, except as set forth herein.

5. The above and foregoing premises and recitals to this Assignment are incorporated and made part of this Assignment, and Assignor and Assignee both warrant and represent that such premises and statements, and all other provisions of this Assignment, are true and correct, and that in giving consent, Landlord (as defined in the Consent of Landlord attached hereto) is entitled to rely upon such representations and statements.

6. This Assignment is subject to the consent and filing requirements of the Town of Addison, Texas.

7. Assignor acknowledges that in addition to any other remedies provided in the Ground Lease or by law, Landlord may at its own option, collect directly from Assignee all rents becoming due under such assignment and apply such rent against any sums due to Landlord. No such collection by Landlord from any such Assignee or subtenant shall release Assignor from the payment or performance of Assignor's obligations under the Ground Lease.

8. The undersigned representatives of Assignor and Assignee have the necessary authority to execute this Assignment on behalf of each of the respective parties hereto, and Assignor and Assignee certify one to the other that any necessary resolutions or other act extending such authority have been duly passed and are now in full force and effect.

*[Signatures Follow]*

**IN WITNESS WHEREOF**, Assignor and Assignee have executed and delivered this Assignment on the day and the year first set forth above.

**Assignor: CLAIRE CHENNUALT  
PARTNERS, LLC**

**Assignee: RR INVESTMENTS, INC.**

By: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGMENT**

**STATE OF \_\_\_\_\_ §**  
**COUNTY OF \_\_\_\_\_ §**

BEFORE ME, the undersigned authority, on this day personally appeared Rex Nichols, manager of Claire Chennault Partners, LLC, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that (he) executed the same for the purposes and consideration therein stated.

GIVEN under my hand and seal of office this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

[SEAL]

\_\_\_\_\_  
Notary Public, State of \_\_\_\_\_

**STATE OF TEXAS §**  
**COUNTY OF DALLAS §**

BEFORE ME, the undersigned authority, on this day personally appeared \_\_\_\_\_, as \_\_\_\_\_ of RR Investments, Inc., known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same for the purposes and consideration therein stated.

GIVEN under my hand and seal of office this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

[SEAL]

\_\_\_\_\_  
Notary Public, State of Texas

**CONSENT OF LANDLORD**

The Town of Addison, Texas ("Landlord") is the Landlord in the Ground Lease described in the Assignment of Ground Lease (the "Assignment") entered into and effective as of \_\_\_\_\_ 2023, for that certain property located in Addison, Texas, by and between **CLAIRE CHENNAULT PARTNERS, LLC**, a Texas limited liability company (herein referred to as "Assignor"), and **RR INVESTMENTS, INC.**, a Texas corporation (herein referred to as "Assignee").

In executing this Consent of Landlord (this "Consent"), Landlord is relying upon the warranties and representations made in the foregoing Assignment by both Assignor and Assignee, and, in relying upon the same, Landlord hereby consents to the foregoing Assignment from Assignor to Assignee. Notwithstanding this Consent, Landlord does not waive any of its rights under the Ground Lease as to Assignor nor Assignee, and does not release Assignor from its covenants, obligations, duties, nor responsibilities under or in connection with the Ground Lease, and Assignor shall remain liable and responsible for all such covenants obligations, duties, or responsibilities. In addition, notwithstanding any provisions of this Consent of Landlord or the above and foregoing Assignment to the contrary, this Consent shall not operate as a waiver of any prohibition against further assignment, transfer, conveyance, pledge, change of control, or subletting of the Ground Lease or the premises described therein without Landlord's prior written consent.

This Consent shall be and remain valid only if and provided that, by no later than 6:00 o'clock p.m. on July 31, 2023:

(i) the Assignment has been executed and notarized by both Assignor and Assignee,

(ii) all other matters in connection with the transfer, sale, and/or conveyance by Assignor to Assignee of Assignor's interest in the Ground Lease have been fully consummated and completed and the transaction closed as reasonably determined by Landlord (such matters including, without limitation, the full execution and finalization of this Assignment and any other documentation so required by Landlord relating to this transaction) and delivered to Landlord c/o Mr. Bill Dyer, Addison Airport Real Estate Manager, at 4545 Jimmy Doolittle Road, Suite 200, Addison, Texas 75001. Otherwise, and failing compliance with and satisfaction of each and all of paragraphs (i) and (ii) above, this Consent shall be null and void *ab initio* as if it had never been given and executed.

Signed this \_\_\_\_\_ day \_\_\_\_\_, 2023.

**LANDLORD:**

**TOWN OF ADDISON, TEXAS**

By: \_\_\_\_\_,  
City Manager



## EXHIBIT A

### Legal Description of Property

BEING a 1.1379 acre tract of land situated in the William Lomax Survey, Abstract No. 792, Dallas County, Texas and being located on Addison Municipal Airport, Addison, Dallas County, Texas, and being the same tract of land conveyed to Ward Williford, Trustee by deed recorded in Volume 91092, Page 2558, Deed Records, Dallas County, Texas, and being more particularly described as follows:

COMMENCING at the intersection of the South right-of-way line of Westgrove Road (a 60 foot right-of-way) and the West right-of-way line of Addison Road (a 60 foot right-of-way);

THENCE West along the South right-of-way line of said Westgrove Road, a distance of 750.59 feet to a point, said point being the intersection of the South right-of-way line of said Westgrove Road and the West line of Clair Chennault (a 60 foot right-of-way);

THENCE South 00 degrees 07 minutes 20 seconds East along the West line of said Clair Chennault, a distance of 261.58 feet to a point, said point lying in the West right-of-way line of said Clair Chennault and also being the beginning of a curve to the right, said curve having a radius of 70.0 feet, a delta of 43 degrees 36 minutes 37 seconds, and a chord which bears South 21 degrees 41 minutes 11 seconds West, for a distance of 52.00 feet;

THENCE along the West right-of-way line of said Clair Chennault and along said curve to the right, an arc length of 53.28 feet to a point, said point lying in the West right-of-way line of said Clair Chennault;

THENCE South 43 degrees 29 minutes 42 seconds West along the West right-of-way line of said Clair Chennault, a distance of 480.50 feet to a 60D nail found in concrete for corner, said corner being the POINT OF BEGINNING;

THENCE South 43 degrees 10 minutes 59 seconds West along the West right-of-way line of said Clair Chennault, a distance of 22.00 feet to a 60D nail found for corner, said corner lying in the West right-of-way line of said Clair Chennault, and also lying in a Northeasterly line of a tract of land conveyed to the City of Addison by deed dated 1-14-77;

THENCE along said City of Addison tract as follows:

North 47 degrees 07 minutes 35 seconds West, a distance of 351.95 feet to a 1/2 inch iron rod found for corner;

North 43 degrees 14 minutes 48 seconds East, a distance of 182.37 feet to an "X" found in concrete for corner;

North 46 degrees 38 minutes 02 seconds West, a distance of 60.00 feet to an "X" found in concrete for corner;

North 89 degrees 55 minutes 19 seconds East, a distance of 248.02 feet to a 60D nail found in concrete for corner, said corner lying in a Southerly line of said City of Addison tract, and also being the Northwest corner of a tract of land conveyed to Redman Investments, Inc. by deed recorded in Volume 84247, Page 3822, Deed Records, Dallas County, Texas;

THENCE South 43 degrees 10 minutes 21 seconds West along the Northwest line of said Redman Investments, Inc. tract and leaving said City of Addison tract, a distance of 149.79 feet to a 60D nail found in concrete for corner, said corner being the most Northerly West corner of a tract of land conveyed to James D. Donaldson by deed recorded in Volume 90155, Page 3379, Deed Records, Dallas County, Texas;

THENCE South 46 degrees 54 minutes 50 seconds East along the most Northerly Southwest line of said Donaldson tract, a distance of 40.00 feet to an "X" found in concrete for corner, said corner being an ell corner of said Donaldson tract;

THENCE South 43 degrees 27 minutes 13 seconds West along the most Southerly Northwest line of said Donaldson tract, a distance of 180.00 feet to an "X" found in concrete for corner, said corner being the most Westerly West corner of said Donaldson tract;

THENCE South 47 degrees 08 minutes 32 seconds East along the most Southerly Southwest line of said Donaldson tract, a distance of 191.95 feet to the POINT OF BEGINNING and containing 49,565.54 square feet or 1.1379 acres of land.

**EXHIBIT B**

True and Correct Copy of Ground Lease As Amended and Modified

131-662 MCS  
STATE OF TEXAS

COUNTY OF DALLAS

§  
§  
§

ASSIGNMENT OF GROUND LEASE

This Assignment of Ground Lease (the "Assignment") is entered into and effective as of 11/27 2013, at Addison, Texas, by and between C.C. Hangar, LP (herein referred to as "Assignor") and Claire Chennault Partners, LLC, a Texas limited liability company (herein referred to as "Assignee").

WHEREAS, a Ground Lease was entered into on September 28, 1983 between the City of Addison, Texas (the same being the Town of Addison, Texas (the "City")) and Addison Airport of Texas, Inc., as landlord, and Parkway Jet, Inc., as tenant, by the terms of which certain real property described in the Ground Lease and generally located at 4575 Claire Chennault Drive (the "Demised Premises") within the City at Addison Airport was leased by landlord to tenant;

WHEREAS, the Ground Lease was assigned by Substitute Trustee's Deed to Franklin First Federal Savings Bank ("Franklin") on May 7, 1991; and

WHEREAS, Franklin assigned the Ground Lease to Aquila Leasing Company, a Texas corporation on May 13, 1993; and

WHEREAS, Aquila Leasing Company assigned the Ground Lease to C.C. Hangar, LP (Assignor) by that Assignment Agreement entered into and effective September 22, 2004; and

WHEREAS, the Ground Lease was amended at the time it was assigned to C.C. Hangar, LP by that First Amendment to Ground Lease made effective September 22, 2004 to include, among other things, a 96-month lease extension due to improvements C.C. Hangar, L.P. made to the property that exceeded \$350,000 and provisions to reflect then current minimum standards; and

WHEREAS, Assignor and Assignee acknowledge and agree that the boundary survey dated March 12, 2004 prepared by Texas Land Title Survey attached hereto as Exhibit "A" and incorporated herein by this reference, is the true and correct legal description of the Demised Premises and shows the Demised Premises to contain 1.138 acres of land ; and

WHEREAS, by virtue of such assignments of and amendments and/or modifications made to the Ground Lease, Assignor is the Tenant under the Ground Lease (a true and correct copy of said Ground Lease in its entirety with all hereinabove said assignments, amendments and/modifications made thereto are attached and incorporated herein by reference as Exhibit "B" (the Ground Lease, as so assigned, amended and/or modified, being hereinafter referred to as the "Ground Lease")); and

**WHEREAS**, the Ground Lease provides that, upon the expiration or termination of that certain agreement referred to and defined in the Ground Lease as the "Base Lease" (and being an Agreement for Operation of the Addison Airport between the City and Addison Airport of Texas, Inc.), the City is entitled to all of the rights, benefits and remedies, and will perform the duties, covenants and obligations, of the Landlord under the Ground Lease; and

**WHEREAS**, the said Base Lease has expired and the City alone is the Landlord under the Ground Lease; and

**WHEREAS**, the Ground Lease provides in Section 9 thereof that, without the prior written consent of the Landlord, the Tenant may not assign the Ground Lease or any rights of Tenant under the Ground Lease (except as provided therein), and that any assignment must be expressly subject to all the terms and provisions of the Ground Lease, and that any assignment must include a written agreement from the Assignee whereby the Assignee agrees to be bound by the terms and provisions of the Ground Lease; and

**WHEREAS**, Assignor desires to assign the Ground Lease to Assignee, and Assignee desires to accept the Assignment thereof in accordance with the terms and conditions of this Assignment.

**NOW, THEREFORE**, for and in consideration of the mutual promises, covenants, and conditions contained herein, the sufficiency of which are hereby acknowledged, the parties hereto, each intending to be legally bound agree as follows:

### **AGREEMENT**

1. Assignor hereby assigns, bargains, sells, and conveys to Assignee, effective as of the date above, all of Assignor's right, title, duties, responsibilities, and interest in and to the Ground Lease, attached hereto as Exhibit "B", TO HAVE AND TO HOLD the same, for the remaining term thereof, and Assignor does hereby bind itself and its successors and assigns to warrant and forever defend the same unto Assignee against every person or persons lawfully claiming any part thereof through Assignor.

2. Prior to the effective date of this Assignment, Assignee agrees to pay an Assignment Fee in the amount of Four Hundred Fifty Dollars and no/100 (\$450.00) to Landlord.

3. Assignee hereby agrees to assume and shall be bound by and comply with all of the terms, provisions, duties, conditions, and obligations of Tenant under the Ground Lease. For purposes of notice under the Ground Lease, the address of Assignee is:

Claire Chennault Partners, LLC  
Attn. Mr. Rex Nichols, Manager  
15800 Dooley Rd.  
Addison, Texas 75001

4. Nothing in this Assignment shall be construed or be deemed to modify, alter, amend or change any term or condition of the Ground Lease, except as set forth herein.

5. The above and foregoing premises and recitals to this Assignment are incorporated into and made a part of this Assignment, and Assignor and Assignee both warrant and represent that such premises and statements, and all other provisions of this Assignment, are true and correct, and that in giving its consent, Landlord (as defined in the Consent of Landlord attached hereto) is entitled to rely upon such representations and statements.

6. Assignor and Assignee acknowledge that in addition to any other remedies provided in the Ground Lease or by law, in equity, or otherwise, Landlord may at its own option, collect directly from the Assignee all rents becoming due under the Ground Lease and this Assignment and apply such rent against any sums due to Landlord. Assignor acknowledges to Assignee that it does not owe Landlord any past rent, fees, charges, taxes, insurance payments, penalties or any other amounts at the time of this Assignment. No such collection by Landlord from Assignee shall release Assignor from the payment or performance of Assignor's obligations under the Ground Lease.

7. EXCEPT FOR THE WARRANTY OF TITLE SET FORTH IN SECTION 1, ABOVE AND EXCEPT AS OTHERWISE SET FORTH IN THIS ASSIGNMENT, AS BETWEEN ASSIGNOR AND ASSIGNEE, ASSIGNOR IS ASSIGNING THIS GROUND LEASE TO ASSIGNEE "AS IS", "WHERE IS", AND WITH ALL FAULTS AND SPECIFICALLY AND EXPRESSLY WITHOUT ANY WARRANTIES, REPRESENTATIONS OR GUARANTEES, EITHER EXPRESS OR IMPLIED, OF ANY KIND, NATURE, OR TYPE WHATSOEVER FROM OR ON BEHALF OF THE ASSIGNOR.

8. The undersigned representatives of the Assignor and Assignee have the necessary authority to execute this Assignment on behalf of each of the respective parties hereto, and Assignor and Assignee certify one to the other that any necessary resolutions or other act extending such authority have been duly passed and are now in full force and effect.

*Left Intentionally Blank*

**IN WITNESS WHEREOF**, Assignor and Assignee have executed and delivered this Assignment on the day and the year first set forth above.

**ASSIGNOR:**

**C.C. Hangar, LP**

A handwritten signature in blue ink, appearing to read "Mitchell Rosenthal", written over a horizontal line.

By: Mitchell Rosenthal, Manager of  
MSR Spring Valley Investments, LLC,  
General Partner

**ASSIGNEE:**

**Claire Chennault Partners, LLC**

A handwritten signature in blue ink, appearing to read "Rex Nichols manager", written over a horizontal line.

By: Rex Nichols, Manager

**ACKNOWLEDGMENT**

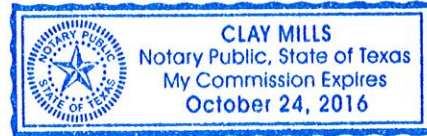
**STATE OF TEXAS       §**  
**COUNTY OF DALLAS   §**

BEFORE ME, the undersigned authority, on this day personally appeared Mitchell Rosenthal, manager of MSR Spring Valley Investments, LLC, general partner of C.C. Hangar LP, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein stated.

GIVEN under my hand and seal of office this 27 day of Nov,  
2013.

[SEAL]

  
\_\_\_\_\_  
Notary Public, State of Texas

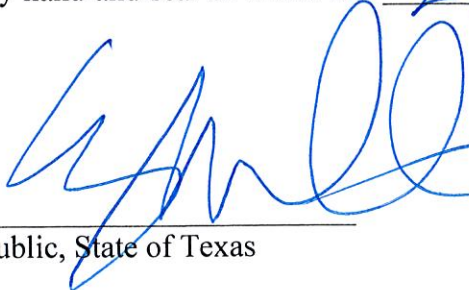


**STATE OF TEXAS       §**  
**COUNTY OF DALLAS   §**

BEFORE ME, the undersigned authority, on this day personally appeared Rex Nichols, manager of Claire Chennault Partners, LLC, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein stated.

GIVEN under my hand and seal of office this 27 day of Nov,  
2013.

[SEAL]

  
\_\_\_\_\_  
Notary Public, State of Texas



**CONSENT OF LANDLORD**

The Town of Addison, Texas ("Landlord") is the Landlord in the Ground Lease described in the Assignment of Ground Lease (the "Assignment") entered into and effective as of November 4, 2013, at Addison, Texas, by and between C.C. Hangar, LP, a Texas limited partnership (herein referred to as "Assignor") and Claire Chennault Partners, LLC, a Texas limited liability company (herein referred to as "Assignee"). In executing this Consent of Landlord ("Consent"), Landlord is relying upon the warranty, representations, provisions, and statements made in the foregoing Assignment by both Assignor and Assignee, and in relying upon the same Landlord hereby consents to the foregoing Assignment from Assignor to Assignee. However, notwithstanding this Consent, Landlord does not waive any of its rights under the Ground Lease as to the Assignor or the Assignee, and does not release Assignor from its covenants, obligations, duties, and responsibilities under or in connection with the Ground Lease, and Assignor shall be and remain liable and responsible for all such covenants obligations, duties, and responsibilities. In addition, notwithstanding any provisions of this Consent of Landlord or the above and foregoing Assignment to the contrary, this Consent shall not operate as a waiver of any prohibition against further assignment, transfer, conveyance, pledge, change of control, or subletting of the Ground Lease or the premises described therein without Landlord's prior written consent.

This Consent does not and shall not be construed to waive any rights or remedies of the Town of Addison, Texas under the Ground Lease, to release or waive any claims of the Town against any tenant (or any other person or entity) under or in connection with the Ground Lease, or to release any tenant (or any other person or entity) from any duties, obligations or liabilities under or in connection with the Ground Lease.

This Consent shall be and remain valid only if and provided that, by no later than 6:00 o'clock p.m. on December 31, 2013:

(i) the Assignment has been executed and notarized by both Assignor and Assignee,

(ii) all other matters in connection with the transfer, sale, and/or conveyance by Assignor to Assignee of the Assignor's interest in the Ground Lease have been fully consummated and completed and the transaction closed as reasonably determined by Landlord (such matters including, without limitation, the full execution and finalization of this Assignment and any other documentation so required by Landlord relating to this transaction) and delivered to Landlord c/o Mr. Bill Dyer, Addison Airport Real Estate Manager, at 16051 Addison Road, Suite 220, Addison, Texas 75001.

Otherwise, and failing compliance with and satisfaction of each all of paragraphs (i) and (ii) above, this Consent shall be null and void *ab initio* as if it had never been given and executed.

Signed this 15<sup>th</sup> day November 2013.

**LANDLORD:**

**TOWN OF ADDISON, TEXAS**

By:   
Ron Whitehead, City Manager





PROPERTY DESCRIPTION

BEING a 1.1379 acre tract of land situated in the William Lomax Survey, Abstract No. 792, Dallas County, Texas and being located on Addison Municipal Airport, Addison, Dallas County, Texas, and being the same tract of land conveyed to Ward Williford, Trustee by deed recorded in Volume 91092, Page 2558, Deed Records, Dallas County, Texas, and being more particularly described as follows:

COMMENCING at the intersection of the South right-of-way line of Westgrove Road (a 60 foot right-of-way) and the West right-of-way line of Addison Road (a 60 foot right-of-way);

THENCE West along the South right-of-way line of said Westgrove Road, a distance of 750.59 feet to a point, said point being the intersection of the South right-of-way line of said Westgrove Road and the West line of Clair Chennault (a 60 foot right-of-way);

THENCE South 00 degrees 07 minutes 20 seconds East along the West line of said Clair Chennault, a distance of 261.58 feet to a point, said point lying in the West right-of-way line of said Clair Chennault and also being the beginning of a curve to the right, said curve having a radius of 70.0 feet, a delta of 43 degrees 36 minutes 37 seconds, and a chord which bears South 21 degrees 41 minutes 11 seconds West, for a distance of 52.00 feet;

THENCE along the West right-of-way line of said Clair Chennault and along said curve to the right, an arc length of 53.28 feet to a point, said point lying in the West right-of-way line of said Clair Chennault;

THENCE South 43 degrees 29 minutes 42 seconds West along the West right-of-way line of said Clair Chennault, a distance of 480.50 feet to a 60D nail found in concrete for corner, said corner being the POINT OF BEGINNING;

THENCE South 43 degrees 10 minutes 59 seconds West along the West right-of-way line of said Clair Chennault, a distance of 22.00 feet to a 60D nail found for corner, said corner lying in the West right-of-way line of said Clair Chennault, and also lying in a Northeasterly line of a tract of land conveyed to the City of Addison by deed dated 1-14-77;

THENCE along said City of Addison tract as follows:

North 47 degrees 07 minutes 35 seconds West, a distance of 351.95 feet to a 1/2 Inch iron rod found for corner;

North 43 degrees 14 minutes 48 seconds East, a distance of 182.37 feet to an "X" found in concrete for corner;

North 46 degrees 38 minutes 02 seconds West, a distance of 60.00 feet to an "X" found in concrete for corner;

North 89 degrees 55 minutes 19 seconds East, a distance of 248.02 feet to a 60D nail found in concrete for corner, said corner lying in a Southerly line of said City of Addison tract, and also being the Northwest corner of a tract of land conveyed to Redman Investments, Inc. by deed recorded in Volume 84247, Page 3822, Deed Records, Dallas County, Texas;

THENCE South 43 degrees 10 minutes 21 seconds West along the Northwest line of said Redman Investments, Inc. tract and leaving said City of Addison tract, a distance of 149.79 feet to a 60D nail found in concrete for corner, said corner being the most Northerly West corner of a tract of land conveyed to James D. Donaldson by deed recorded in Volume 90155, Page 3379, Deed Records, Dallas County, Texas;

THENCE South 46 degrees 54 minutes 50 seconds East along the most Northerly Southwest line of said Donaldson tract, a distance of 40.00 feet to an "X" found in concrete for corner, said corner being an ell corner of said Donaldson tract;

THENCE South 43 degrees 27 minutes 13 seconds West along the most Southerly Northwest line of said Donaldson tract, a distance of 180.00 feet to an "X" found in concrete for corner, said corner being the most Westerly West corner of said Donaldson tract;

THENCE South 47 degrees 08 minutes 32 seconds East along the most Southerly Southwest line of said Donaldson tract, a distance of 191.95 feet to the POINT OF BEGINNING and containing 49,565.54 square feet or 1.1379 acres of land.

0670-6703

STATE OF TEXAS       §  
                                  §  
COUNTY OF DALLAS   §

**ASSIGNMENT OF GROUND LEASE**

This Assignment of Ground Lease (the "Assignment") is entered into and effective as of 11/27 2013, at Addison, Texas, by and between C.C. Hangar, LP (herein referred to as "Assignor") and Claire Chennault Partners, LLC, a Texas limited liability company (herein referred to as "Assignee").

**WHEREAS**, a Ground Lease was entered into on September 28, 1983 between the City of Addison, Texas (the same being the Town of Addison, Texas (the "City")) and Addison Airport of Texas, Inc., as landlord, and Parkway Jet, Inc., as tenant, by the terms of which certain real property described in the Ground Lease and generally located at 4575 Claire Chennault Drive (the "Demised Premises") within the City at Addison Airport was leased by landlord to tenant;

**WHEREAS**, the Ground Lease was assigned by Substitute Trustee's Deed to Franklin First Federal Savings Bank ("Franklin") on May 7, 1991; and

**WHEREAS**, Franklin assigned the Ground Lease to Aquila Leasing Company, a Texas corporation on May 13, 1993; and

**WHEREAS**, Aquila Leasing Company assigned the Ground Lease to C.C. Hangar, LP (Assignor) by that Assignment Agreement entered into and effective September 22, 2004; and

**WHEREAS**, the Ground Lease was amended at the time it was assigned to C.C. Hangar, LP by that First Amendment to Ground Lease made effective September 22, 2004 to include, among other things, a 96-month lease extension due to improvements C.C. Hangar, L.P. made to the property that exceeded \$350,000 and provisions to reflect then current minimum standards; and

**WHEREAS**, Assignor and Assignee acknowledge and agree that the boundary survey dated March 12, 2004 prepared by Texas Land Title Survey attached hereto as Exhibit "A" and incorporated herein by this reference, is the true and correct legal description of the Demised Premises and shows the Demised Premises to contain 1.138 acres of land ; and

**WHEREAS**, by virtue of such assignments of and amendments and/or modifications made to the Ground Lease, Assignor is the Tenant under the Ground Lease (a true and correct copy of said Ground Lease in its entirety with all hereinabove said assignments, amendments and/modifications made thereto are attached and incorporated herein by reference as Exhibit "B" (the Ground Lease, as so assigned, amended and/or modified, being hereinafter referred to as the "Ground Lease")); and

**WHEREAS**, the Ground Lease provides that, upon the expiration or termination of that certain agreement referred to and defined in the Ground Lease as the "Base Lease" (and being an Agreement for Operation of the Addison Airport between the City and Addison Airport of Texas, Inc.), the City is entitled to all of the rights, benefits and remedies, and will perform the duties, covenants and obligations, of the Landlord under the Ground Lease; and

**WHEREAS**, the said Base Lease has expired and the City alone is the Landlord under the Ground Lease; and

**WHEREAS**, the Ground Lease provides in Section 9 thereof that, without the prior written consent of the Landlord, the Tenant may not assign the Ground Lease or any rights of Tenant under the Ground Lease (except as provided therein), and that any assignment must be expressly subject to all the terms and provisions of the Ground Lease, and that any assignment must include a written agreement from the Assignee whereby the Assignee agrees to be bound by the terms and provisions of the Ground Lease; and

**WHEREAS**, Assignor desires to assign the Ground Lease to Assignee, and Assignee desires to accept the Assignment thereof in accordance with the terms and conditions of this Assignment.

**NOW, THEREFORE**, for and in consideration of the mutual promises, covenants, and conditions contained herein, the sufficiency of which are hereby acknowledged, the parties hereto, each intending to be legally bound agree as follows:

### **AGREEMENT**

1. Assignor hereby assigns, bargains, sells, and conveys to Assignee, effective as of the date above, all of Assignor's right, title, duties, responsibilities, and interest in and to the Ground Lease, attached hereto as Exhibit "B", TO HAVE AND TO HOLD the same, for the remaining term thereof, and Assignor does hereby bind itself and its successors and assigns to warrant and forever defend the same unto Assignee against every person or persons lawfully claiming any part thereof through Assignor.

2. Prior to the effective date of this Assignment, Assignee agrees to pay an Assignment Fee in the amount of Four Hundred Fifty Dollars and no/100 (\$450.00) to Landlord.

3. Assignee hereby agrees to assume and shall be bound by and comply with all of the terms, provisions, duties, conditions, and obligations of Tenant under the Ground Lease. For purposes of notice under the Ground Lease, the address of Assignee is:

Claire Chennault Partners, LLC  
Attn. Mr. Rex Nichols, Manager  
15800 Dooley Rd.  
Addison, Texas 75001

4. Nothing in this Assignment shall be construed or be deemed to modify, alter, amend or change any term or condition of the Ground Lease, except as set forth herein.

5. The above and foregoing premises and recitals to this Assignment are incorporated into and made a part of this Assignment, and Assignor and Assignee both warrant and represent that such premises and statements, and all other provisions of this Assignment, are true and correct, and that in giving its consent, Landlord (as defined in the Consent of Landlord attached hereto) is entitled to rely upon such representations and statements.

6. Assignor and Assignee acknowledge that in addition to any other remedies provided in the Ground Lease or by law, in equity, or otherwise, Landlord may at its own option, collect directly from the Assignee all rents becoming due under the Ground Lease and this Assignment and apply such rent against any sums due to Landlord. Assignor acknowledges to Assignee that it does not owe Landlord any past rent, fees, charges, taxes, insurance payments, penalties or any other amounts at the time of this Assignment. No such collection by Landlord from Assignee shall release Assignor from the payment or performance of Assignor's obligations under the Ground Lease.

7. EXCEPT FOR THE WARRANTY OF TITLE SET FORTH IN SECTION 1, ABOVE AND EXCEPT AS OTHERWISE SET FORTH IN THIS ASSIGNMENT, AS BETWEEN ASSIGNOR AND ASSIGNEE, ASSIGNOR IS ASSIGNING THIS GROUND LEASE TO ASSIGNEE "AS IS", "WHERE IS", AND WITH ALL FAULTS AND SPECIFICALLY AND EXPRESSLY WITHOUT ANY WARRANTIES, REPRESENTATIONS OR GUARANTEES, EITHER EXPRESS OR IMPLIED, OF ANY KIND, NATURE, OR TYPE WHATSOEVER FROM OR ON BEHALF OF THE ASSIGNOR.

8. The undersigned representatives of the Assignor and Assignee have the necessary authority to execute this Assignment on behalf of each of the respective parties hereto, and Assignor and Assignee certify one to the other that any necessary resolutions or other act extending such authority have been duly passed and are now in full force and effect.

*Left Intentionally Blank*

**IN WITNESS WHEREOF**, Assignor and Assignee have executed and delivered this Assignment on the day and the year first set forth above.

**ASSIGNOR:**

**C.C. Hangar, LP**



---

By: Mitchell Rosenthal, Manager of  
MSR Spring Valley Investments, LLC,  
General Partner

**ASSIGNEE:**

**Claire Chennault Partners, LLC**



---


By: Rex Nichols, Manager

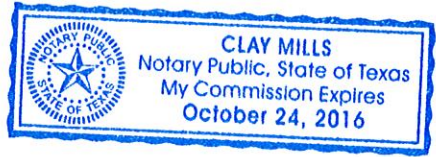
**ACKNOWLEDGMENT**

**STATE OF TEXAS       §**  
**COUNTY OF DALLAS   §**

BEFORE ME, the undersigned authority, on this day personally appeared Mitchell Rosenthal, manager of MSR Spring Valley Investments, LLC, general partner of C.C. Hangar LP, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein stated.

GIVEN under my hand and seal of office this 27 day of NOV, 2013.


[SEAL]  
  
\_\_\_\_\_  
Notary Public, State of Texas

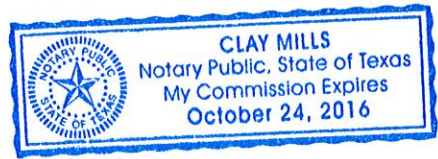


**STATE OF TEXAS       §**  
**COUNTY OF DALLAS   §**

BEFORE ME, the undersigned authority, on this day personally appeared Rex Nichols, manager of Claire Chennault Partners, LLC, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein stated.

GIVEN under my hand and seal of office this 27 day of NOV, 2013.

[SEAL]  
  
\_\_\_\_\_  
Notary Public, State of Texas



## CONSENT OF LANDLORD

The Town of Addison, Texas ("Landlord") is the Landlord in the Ground Lease described in the Assignment of Ground Lease (the "Assignment") entered into and effective as of November 4, 2013, at Addison, Texas, by and between C.C. Hangar, LP, a Texas limited partnership (herein referred to as "Assignor") and Claire Chennault Partners, LLC, a Texas limited liability company (herein referred to as "Assignee"). In executing this Consent of Landlord ("Consent"), Landlord is relying upon the warranty, representations, provisions, and statements made in the foregoing Assignment by both Assignor and Assignee, and in relying upon the same Landlord hereby consents to the foregoing Assignment from Assignor to Assignee. However, notwithstanding this Consent, Landlord does not waive any of its rights under the Ground Lease as to the Assignor or the Assignee, and does not release Assignor from its covenants, obligations, duties, and responsibilities under or in connection with the Ground Lease, and Assignor shall be and remain liable and responsible for all such covenants obligations, duties, and responsibilities. In addition, notwithstanding any provisions of this Consent of Landlord or the above and foregoing Assignment to the contrary, this Consent shall not operate as a waiver of any prohibition against further assignment, transfer, conveyance, pledge, change of control, or subletting of the Ground Lease or the premises described therein without Landlord's prior written consent.

This Consent does not and shall not be construed to waive any rights or remedies of the Town of Addison, Texas under the Ground Lease, to release or waive any claims of the Town against any tenant (or any other person or entity) under or in connection with the Ground Lease, or to release any tenant (or any other person or entity) from any duties, obligations or liabilities under or in connection with the Ground Lease.

This Consent shall be and remain valid only if and provided that, by no later than 6:00 o'clock p.m. on December 31, 2013:

(i) the Assignment has been executed and notarized by both Assignor and Assignee,

(ii) all other matters in connection with the transfer, sale, and/or conveyance by Assignor to Assignee of the Assignor's interest in the Ground Lease have been fully consummated and completed and the transaction closed as reasonably determined by Landlord (such matters including, without limitation, the full execution and finalization of this Assignment and any other documentation so required by Landlord relating to this transaction) and delivered to Landlord c/o Mr. Bill Dyer, Addison Airport Real Estate Manager, at 16051 Addison Road, Suite 220, Addison, Texas 75001.

Otherwise, and failing compliance with and satisfaction of each all of paragraphs (i) and (ii) above, this Consent shall be null and void *ab initio* as if it had never been given and executed.

Signed this 15<sup>th</sup> day November, 2013.

**LANDLORD:**

**TOWN OF ADDISON, TEXAS**

By:   
Ron Whitehead, City Manager





PROPERTY DESCRIPTION

BEING a 1.1379 acre tract of land situated in the William Lomax Survey, Abstract No. 792, Dallas County, Texas and being located on Addison Municipal Airport, Addison, Dallas County, Texas, and being the same tract of land conveyed to Ward Williford, Trustee by deed recorded in Volume 91092, Page 2558, Deed Records, Dallas County, Texas, and being more particularly described as follows:

COMMENCING at the intersection of the South right-of-way line of Westgrove Road (a 60 foot right-of-way) and the West right-of-way line of Addison Road (a 60 foot right-of-way);

THENCE West along the South right-of-way line of said Westgrove Road, a distance of 750.59 feet to a point, said point being the intersection of the South right-of-way line of said Westgrove Road and the West line of Clair Chennault (a 60 foot right-of-way);

THENCE South 00 degrees 07 minutes 20 seconds East along the West line of said Clair Chennault, a distance of 261.58 feet to a point, said point lying in the West right-of-way line of said Clair Chennault and also being the beginning of a curve to the right, said curve having a radius of 70.0 feet, a delta of 43 degrees 36 minutes 37 seconds, and a chord which bears South 21 degrees 41 minutes 11 seconds West, for a distance of 52.00 feet;

THENCE along the West right-of-way line of said Clair Chennault and along said curve to the right, an arc length of 53.28 feet to a point, said point lying in the West right-of-way line of said Clair Chennault;

THENCE South 43 degrees 29 minutes 42 seconds West along the West right-of-way line of said Clair Chennault, a distance of 480.50 feet to a 60D nail found in concrete for corner, said corner being the POINT OF BEGINNING;

THENCE South 43 degrees 10 minutes 59 seconds West along the West right-of-way line of said Clair Chennault, a distance of 22.00 feet to a 60D nail found for corner, said corner lying in the West right-of-way line of said Clair Chennault, and also lying in a Northeasterly line of a tract of land conveyed to the City of Addison by deed dated 1-14-77;

THENCE along said City of Addison tract as follows:

North 47 degrees 07 minutes 35 seconds West, a distance of 351.95 feet to a 1/2 inch iron rod found for corner;

North 43 degrees 14 minutes 48 seconds East, a distance of 182.37 feet to an "X" found in concrete for corner;

North 46 degrees 38 minutes 02 seconds West, a distance of 60.00 feet to an "X" found in concrete for corner;

North 89 degrees 55 minutes 19 seconds East, a distance of 248.02 feet to a 60D nail found in concrete for corner, said corner lying in a Southerly line of said City of Addison tract, and also being the Northwest corner of a tract of land conveyed to Redman Investments, Inc. by deed recorded in Volume 84247, Page 3822, Deed Records, Dallas County, Texas;

THENCE South 43 degrees 10 minutes 21 seconds West along the Northwest line of said Redman Investments, Inc. tract and leaving said City of Addison tract, a distance of 149.79 feet to a 60D nail found in concrete for corner, said corner being the most Northerly West corner of a tract of land conveyed to James D. Donaldson by deed recorded in Volume 90155, Page 3379, Deed Records, Dallas County, Texas;

THENCE South 46 degrees 54 minutes 50 seconds East along the most Northerly Southwest line of said Donaldson tract, a distance of 40.00 feet to an "X" found in concrete for corner, said corner being an ell corner of said Donaldson tract;

THENCE South 43 degrees 27 minutes 13 seconds West along the most Southerly Northwest line of said Donaldson tract, a distance of 180.00 feet to an "X" found in concrete for corner, said corner being the most Westerly West corner of said Donaldson tract;

THENCE South 47 degrees 08 minutes 32 seconds East along the most Southerly Southwest line of said Donaldson tract, a distance of 191.95 feet to the POINT OF BEGINNING and containing 49,565.54 square feet or 1.1379 acres of land.

0670-6700

SURVEYOR'S CERTIFICATE

This survey is made relying on information provided by (Ticor Title Insurance Company) in connection with the transaction described in GF# (04-003263-CC). The undersigned Registered Professional Land Surveyor (Bryan Connally) hereby certifies to (Ticor Title Insurance Company and Vigor Properties, Inc.) that, (a) this plat of survey and the property description set forth hereon were prepared from an actual on-the-ground survey of the real property (4575 Clair Chennault) described in (Volume 91092, Page 2558), and shown hereon; (b) such survey was conducted by the Surveyor, or under his direction; (c) all monuments shown hereon actually existed on the date of the survey, and the location, size and type of material thereof are correctly shown; (d) except as shown hereon there are no observable protrusions on to the Property or observable protrusions there from, there are no observable discrepancies, conflicts, shortages in area or boundary line conflicts; (e) the size, location and type of improvements, are shown hereon, and all are located within the boundaries of the Property and setback from the Property lines the distances indicated; (f) the distance from the nearest intersection street or road is as shown; (g) the Property has apparent access to and from a public roadway; (h) recorded easements listed hereon have been labeled and plotted hereon; (i) the boundaries, dimensions and other details shown hereon are shown to the appropriate accuracy standards of the State of Texas; (j) the Property is in Zone "X" and is not located in a 100 Year Flood Plain or in an identified "Flood Prone Area" as defined by the U. S. Department of Housing and Urban Development (Flood Insurance Rate Map No. 48113C0180J) pursuant to the Flood Disaster Protection Act of 1973.

The surveyor expressly understands and agrees that (Ticor Title Insurance Company and Vigor Properties, Inc.) are entitled to rely on this survey as having been performed to the appropriate standards of the current (1999 Edition) Texas Society of Professional Surveyors Standards and Specifications for a Texas Land Title Survey as set forth by the Texas Board of Professional Land Surveying.

Use of this survey by any other parties and/or for other purposes shall be at user's own risk and any loss resulting from other use shall not be the responsibility of the undersigned.

EXECUTED this 12<sup>th</sup> day of March, 2004

Bryan Connally  
 Bryan Connally  
 Registered Professional Land Surveyor



does lie in Zone X

ACCEPTED BY: \_\_\_\_\_ SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_ SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

DOUG CONNALLY & ASSOC., INC.  
 9754 SKILLMAN STREET  
 DALLAS, TEXAS 75243  
 PHONE:(214) 349-9485  
 FAX:(214) 349-2216  
 www.dcasurveying.com

<b>TEXAS LAND TITLE SURVEY</b>	
WILLIAM LOMAX SURVEY, ABSTRACT NO. 792	
ADDISON, DALLAS COUNTY	
4575 CLAIR CHENNAULT	

SCALE	DATE	JOB NO.	G.F. NO.	DRAWN
" = 20'	03/12/04	0401651-1	04-0032 63-CC	M.W.

*0670-6702*

## EXHIBIT "B"

STATE OF TEXAS       §  
                                  §  
COUNTY OF DALLAS   §

FIRST AMENDMENT TO GROUND LEASE

This First Amendment to Ground Lease (hereinafter referred to as the "First Amendment to Ground Lease" or "Amendment") is entered into and effective as of September 22, 2004 between the Town of Addison, Texas a municipal corporation (hereinafter sometimes referred to as "Addison" or the "Landlord"), and C. C. Hangar, L. P., a Texas corporation ("Tenant").

Schedule of Exhibits	
Exhibit A:	Copy of Ground Lease dated 9/28/1983
Exhibit B:	Copy of Substitute Trustees Deed dated 5/7/1991
Exhibit C:	Assignment of Lease dated 5/13/1993
Exhibit D:	Assignment of Lease dated <del>7/22/94</del>
Exhibit E:	Survey of demised Premises dated 03/14/04 by Texas Land Title
Exhibit F:	Description of Improvements

WHEREAS, a Ground Lease was entered into as of September 28, 1983 between the Town (City) of Addison, Texas and Addison Airport of Texas, Inc., together as Landlord, and Parkway Jet, Inc., as Tenant, of a 1.135 acre (49,461 square feet) tract of land located at 4575 Claire Chennault at Addison Airport (the said tract of land being referred to in the Ground Lease and herein as the "Demised Premises" or "demised premises"), which Ground Lease provides that its term commenced on September 1, 1984 (or the first day of the first calendar month the tenant completes certain construction as described in the Ground Lease, whichever is earlier) and will end 480 months thereafter (or on August 30, 2024) (the "Ground Lease", a true and correct copy of which is attached hereto as Exhibit A); and

WHEREAS, the Ground Lease provides that, upon the expiration or termination of that certain agreement referred to and defined in the Ground Lease as the "Base Lease" (and being an Agreement for Operation of the Addison Airport between the City and Addison Airport of Texas, Inc.), the City is entitled to all of the rights, benefits and remedies, and will perform the duties, covenants, and obligations, of the Landlord under the Ground lease; and

WHEREAS, the said Base Lease has expired and the City is the sole Landlord under the Ground Lease; and

WHEREAS, the tenant's leasehold interest in the Ground Lease was thereafter conveyed to Franklin First Federal Savings Bank by Substitute Trustee's Deed executed May 7, 1991 and recorded in Volume 91092, Volume 2558, Deed Records, Dallas County, Texas (a true and correct copy is attached hereto as Exhibit B); and

WHEREAS, the tenant's leasehold interest in the Ground Lease was thereafter assigned by Franklin First Savings Bank to Aquila Leasing Company, a Texas corporation ("Aquila") by that Assignment of Lease dated May 13, 1993 (a true and correct copy of which is attached hereto as Exhibit C); and

WHEREAS, the Ground Lease was thereafter assigned by Aquila to C. C. Hangar, L. P. ("C. C. Hangar"), a Texas limited partnership by that Assignment of Lease dated 7-22-04 (a true and correct copy of which is attached hereto as Exhibit D); and

WHEREAS, by virtue of such conveyances and assignments, "C. C. Hangar" is the Tenant under the Ground Lease (and is hereinafter referred to as "Tenant"); and

WHEREAS, Tenant has proposed to construct certain additional improvements on the Demised Premises as described herein, and in connection therewith and as consideration therefor Landlord and Tenant desire to amend the Ground Lease in the manner set forth below, contingent upon the final completion of such additional improvements and the approval thereof by Landlord.

NOW, THEREFORE, for and in consideration of the above and foregoing premises, the sum of Ten and No/100 Dollars (\$10.00), the terms and conditions of this Amendment, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Town of Addison, Texas and Tenant do hereby agree as follows:

**Section 1. Incorporation of Premises.** The above and foregoing premises are true and correct and are incorporated herein and made a part hereof.

**Section 2. Amendments and Modifications to Ground Lease.** The Ground Lease is hereby amended and modified by amending certain paragraphs of the Ground Lease as set forth below, by stating and affirming certain terms in connection with the Ground Lease, and by adding additional provisions to the Ground Lease to read as follows:

A. Description of Demised Premises, Survey, Rent.

1. (a) It is anticipated as of the date of execution of this Amendment that Tenant will be constructing upon the Demised Premises certain Improvements (as described below in Section 2.B. of this Amendment). If Tenant constructs the Improvements in accordance herewith, upon completion of such construction (as evidenced by the issuance of a final certificate of occupancy for the Improvements or such other final certification as may be required by the Town of Addison), Tenant, at its sole cost, shall within thirty (30) days following the date of issuance of such final certificate of occupancy or other certification) procure an As-Built Survey (the "Survey") of the Demised Premises, prepared by a registered surveyor duly licensed in the State of Texas and bearing the surveyor's seal, and which shall reflect the following:

- (i) A certification to the Town of Addison, Texas and to Tenant to the effect that
  - (A) the Survey was made on the ground as per the field notes shown thereon and correctly shows the boundary lines and dimensions and the area of land indicated thereon and each individual parcel thereof indicated thereon,
  - (B) the Survey correctly shows the location of all buildings, structures, and other improvements, and visible items on the Demised Premises,
  - (C) the Survey correctly shows the location and dimensions of all alleys, streets, roads, rights-of-way, easements and other matters of record of which the surveyor has been advised or should be aware of affecting the Demised Premises according to the legal description in such easements and other matters (with instrument, book and page number indicated),

- (D) except as shown on the Survey, no portion of the Property is located within a special flood hazard area, there are no visible easements, rights-of-way, party walls, or conflicts, and there are no visible encroachments on adjoining premises, streets, or alley ways by any of said buildings, structures, or other improvements, and there are no visible encroachments on the Property by buildings, structures, or other improvements situated on adjoining premises, and
- (E) the distance from the nearest intersecting street and road is as shown on the Survey;
- (ii) The location of all improvements, streets, highways, sidewalks, rights-of-ways and easements appurtenant to, traversing, adjoining or bounding the Demised Premises (which shall show all applicable recording data);
- (iii) Any encroachments on the Demised Premises and protrusions from or onto adjacent land;
- (iv) A metes and bounds description of the Demised Premises and the total acres and the total square feet contained therein;
- (v) The beginning point should be established by a monument located at the beginning point, or be reference to a nearby monument;
- (vi) The boundary line of highways and streets abutting the Demised Premises and the width of said highways and streets, including any proposed relocation, modification or widening thereof;
- (vii) The proximity of the Demised Premises from any nearby taxiway and its centerline, Airport Operating Area zones, markings or designations required by the Airport Director, including the latitude, longitude, site elevation structure height and total structure height as reported on the *Federal Aviation Administration Form 7460 ~ Notice of Proposed Construction or Alteration*; and
- (viii) Such other pertinent and salient information as may be required by Landlord.

(b) Upon the Landlord's and Tenant's acceptance of the Survey, it shall be incorporated into and made part of this Amendment as Exhibit E, and the description of the Demised Premises contained therein shall become and be substituted for the description of the Demised Premises as contained in the Ground Lease, subject, however, to any and all currently existing title exceptions or other matters of record, or items or matters which are visible or apparent from an inspection, affecting the demised premises.

2. Rent for the Demised Premises shall be in an annual amount equal to the product of the number of square feet of the Demised Premises (as set forth in the Survey) multiplied by \$ .3409 per square foot (as of the date of this Amendment, such annual amount is \$16,862.16, which rent is

subject to adjustment as set forth in the Ground Lease. Without offset or deduction, rent shall be paid in advance in monthly installments on or before the first day of each calendar month, determined by dividing the annual rental amount by twelve (12). Landlord and Tenant agree that the rent rate of \$.3409 per square foot is the rent rate as adjusted in accordance with the Ground Lease since the commencement of the Ground Lease, and is subject to further and future adjustment as set forth in the Ground Lease (with the next such adjustment to be made September 1, 2004).

B. Amendment to Paragraph 3. Paragraph 3 of the Ground Lease is hereby amended so that it shall hereafter read as follows:

A. The term hereof shall commence on the earlier of September 1, 1984, or the first day of the first calendar month after Tenant completes the construction hereinbelow described and opens for business at the demised premises (the applicable date being hereinafter referred to as the "Commencement Date"), and shall end 480 months thereafter (subject, however, to the termination provisions of this Lease); provided, however, that any entry upon the demised premises by Tenant prior to the Commencement Date shall be subject to all of the terms and conditions hereof except that rental shall not accrue.

B. Notwithstanding subparagraph A. of this Paragraph 3 and subject to the terms and conditions set forth below, this Lease shall be extended for an additional 96 months from the end of the term described in subparagraph A., so that this Lease shall end on August 30, 2032 (the "Lease Extension Period"); provided, however, that the Lease Extension Period shall become effective if, and only if, Tenant first fully complies with each of the following terms and conditions:

- (i) On or before August 1, 2005:
  - (a) Tenant shall have completed upon the demised premises to the Landlord's satisfaction all of those certain improvements generally described as the Improvements attached hereto (to this Amendment) as Exhibit F (the "Improvements"), and including (without limitation) the completion of the construction of at least 3,000 square feet of additional (new) building, of which at least 3,000 square feet shall be clear span hangar space; and
  - (b) Tenant shall present evidence in writing to Landlord (to the Landlord's satisfaction) that the construction value of the said Improvements exceeds \$350,000. Such evidence shall include, without limitation, true and correct copies of all receipts or other documents or records indicating the nature of the construction work performed, the cost thereof and the amount paid for such construction work; and



- (ii) Tenant shall not, at the time of the issuance of the letter described in subparagraph E. of this Paragraph 3, then be in default of any provision of this Lease beyond any applicable cure period.

C. For purposes of subparagraph B. of this Paragraph 3, the Improvements shall be deemed completed upon the issuance by the Town of Addison, Texas of (i) a certificate of occupancy for such Improvements or such other certification as may be required by the Town of Addison, (ii) the delivery, acceptance and incorporation herein of the Survey as set forth in this Amendment; (iii) the issuance of a letter by Landlord stating that Landlord is satisfied that all such Improvements have been completed to Landlord's satisfaction.

D. Tenant shall, prior to the construction of the Improvements or any other facilities or improvements on the Demised Premises, present to Landlord for Landlord's review and consideration of approval, the plans and specifications for the construction of the Improvements or any other improvements or facilities. For purposes of this subparagraph D., plans and specifications shall be approved by Landlord or by the Town of Addison City Manager's designee. All construction of the Improvements and any other facilities or improvements shall be strictly in accordance with the approved plans and specifications, and such construction shall be in a first class, workmanlike manner. Tenant shall promptly pay and discharge all costs, expenses, claims for damages, liens and any and all other liabilities and obligations which arise in connection with any such construction.

E. Upon the final completion of the Improvements and the presentation of evidence satisfactory to Landlord of the value of the completed improvements, Landlord will issue a letter to Tenant that the terms and conditions precedent to the Lease Extension Period as stated above have been fulfilled, and the Lease Extension Period shall thereafter be in effect. Such letter or letters shall be attached to and shall be made a part of this First Amendment amending the Ground Lease. In the event the Improvements are not completed in accordance herewith, this Lease shall not be extended for the Lease Extension Period."

C. Amendment to Paragraph 6. Paragraph 6 is hereby amended so that it shall hereafter read as follows:

6. Use of Demised Premises and Construction of Improvements: The demised premises shall be used and occupied by Tenant only for the following purposes: sale of aircraft and aircraft parts; aircraft maintenance and repair, aircraft storage; aircraft training; aircraft charter; aircraft rentals; and not otherwise without the prior written consent of Landlord.

In connection with such use and occupancy, Tenant intends to construct upon the Demised Premises the improvements depicted in the plans and specifications.

1 - Metal hangar 100' x 110' w/20'x100' office with associated aircraft ramps and vehicle parking. Addison Airport must approve construction prints prior to construction.

As set forth above in Paragraph 3 of this Lease, Tenant further intends to construct the Improvements (as generally described in Exhibit F attached to this First Amendment to the Ground Lease) in accordance with the terms of this Lease (as amended by the First Amendment to Ground Lease). All construction shall be strictly in accordance with plans and specifications submitted by Tenant to Landlord for Landlords' review and consideration of approval, and such construction shall be performed in a first class, workmanlike manner and in compliance with all applicable building codes, standards, ordinances, rules, and regulations. Tenant agrees to promptly pay and discharge all costs, expenses, claims for damages, liens and any and all other liabilities and obligations which arise in connection with such construction. Except as provided for in this Lease, Tenant may not construct, locate, install, place or erect any other improvements upon the Leased Premises without the prior written consent of Landlord. It is expressly understood and agreed that Tenant's construction of any building or other improvements (including, without limitation, the Improvements) shall include the finish-out of such building and improvements in accordance with the plans and specifications for the finish-out of the building or other improvements as agreed by Landlord and Tenant. Landlord's approval of any plans and specifications does not impose on Landlord any responsibility whatsoever, including, without limitation, any responsibility for the conformance of the plans and specifications with any governmental regulations, building codes, and the like, for which Tenant and its contractors shall have full and complete responsibility.

D. Amendment to Paragraph 7. Paragraph 7 is hereby amended so that it shall hereafter read as follows:

7. Acceptance of Demised Premises: Tenant acknowledges that Tenant has fully inspected the demised premises and accepts the demised premises as suitable for the purpose for which the same are leased in their present condition "AS IS, WHERE IS" and with all faults and defects, whether known or unknown to either Landlord or Tenant and without representation or warranty of any kind from Landlord as to the status or condition thereof, and further the Ground Lease is subject to any and all currently existing title exceptions or other matters of record or visible or apparent from an inspection affecting the demised premises. Without limiting the foregoing, THERE IS NO WARRANTY, EXPRESS OR IMPLIED, OF SUITABILITY, MERCHANTABILITY, and HABITABILITY, OR FITNESS FOR ANY PARTICULAR PURPOSE GIVEN IN CONNECTION WITH THIS LEASE.

E. Amendment to Paragraph 8. Paragraph 8 is hereby amended so that it shall hereafter read as follows:

8. Securing Governmental Approvals and Compliance with Law.

A. Tenant at Tenant's sole cost and expense shall obtain any and all governmental licenses, permits and approvals necessary for the construction of improvements and for the use and occupancy of the demised premises. This Lease is subject to and Tenant shall comply at all times with all laws, ordinances, rules, regulations, directives, permits, or standards of any governmental authority, entity, or agency (including, without limitation, the Town of Addison, Texas, the Federal Aviation Administration, the Texas Department of Transportation, the United States Environmental Protection Agency, and the Texas Commission on Environmental Quality) applicable or related to, whether directly or indirectly, the use and occupation of the demised premises and whether in existence or hereafter enacted, adopted or imposed, and Tenant shall promptly comply with all governmental orders and directives for the correction, prevention and abatement of nuisances in or upon, or connected with the demised premises, all at Tenant's sole cost and expense, and shall comply with and be subject to (and this Lease is made and entered into subject to) any and all grant agreements or grant assurances now existing or as hereafter agreed to, adopted or imposed.

Tenant agrees that any construction or modification of improvements on the demised premises will comply with all standards and rules published by the Landlord or by any person or entity authorized by Landlord to manage and/or operate the Airport ("Airport Manager"), including, but not limited to, the Airport's published "Construction/Maintenance Standards and Specifications," will comply with the Town of Addison building codes and zoning requirements or any other laws, ordinances, permits, rules, regulations, or policies of the Town of Addison, Texas, and will meet or exceed all applicable State and Federal standards, permits, laws, rules, or regulations. Tenant recognizes that the referenced Construction/Maintenance Standards and Specifications, Town of Addison building codes and zoning requirements and other laws, ordinances, permits, rules, regulations or policies, and all applicable State and Federal standards, laws, rules, or regulations may be modified or amended from time to time and that compliance will be measured by such standards in effect at the time of a particular construction or modification of improvements. Tenant will properly and timely submit to the Federal Aviation Administration ("FAA"), the Texas Department of Transportation (TXDOT), and any other governmental entity or agency having jurisdiction regarding or related to Addison Airport, a Notice of Proposed Construction, when and as required. Tenant further agrees that the Landlord shall be authorized at all times during any project of construction to enter upon the demised premises, and all parts thereof, in order to observe the performance of such construction, and Tenant agrees to provide the Landlord a construction schedule setting out the time of commencement, final completion and completion of significant elements of the construction, which schedule shall be delivered to Landlord prior to the start of any construction project on the demised premises. Failure of Tenant to observe and comply with the requirements of this Section 8 shall be an Event of Default.

B. Tenant shall comply with noise abatement standards at the Airport at all times and shall notify any aircraft operator using any portion of the demised premises of such standards.

F. Amendments to Paragraph 9. Paragraph 9, subparagraphs A., B. and E. of the Ground Lease are hereby amended so that they shall hereafter read as follows:

"A. Without the prior written consent of Landlord, Tenant shall have no power to and may not assign, sell, pledge, transfer, or otherwise convey (together, "assign" or "assignment") this Lease or any rights or obligations of Tenant hereunder (except to a leasehold mortgagee as hereinbelow provided and in accordance with all of the terms and conditions of this Lease) or sublet the whole or any part of the demised premises, and any such assignment or any subletting shall be null and void and a cause for immediate termination of this Lease by Landlord. For purposes hereof, an assignment will be deemed to occur if the person or persons who own or have voting control of 51% or more of Tenant on the date of the First Amendment to Ground Lease cease to own or have voting control of 51% or more of Tenant at any time during the Term; Tenant shall provide to Landlord from time to time, as requested by Landlord and in a form acceptable to Landlord, a written certification as to the ownership of voting securities or voting control of Sublessee. For purposes hereof, "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through ownership of voting securities or partnership interests, by contract, or otherwise. Any assignment or any subletting shall be expressly subject to all the terms and provisions of this Lease, including the provisions of Paragraph 6 pertaining to the use of the demised premises. In the event of any assignment or any subletting, Tenant shall not assign Tenant's rights hereunder or sublet the demised premises without first obtaining a written agreement from each such assignee or sublessee whereby each such assignee or sublessee agrees to be bound by the terms and provisions of this Lease (and Tenant shall provide a copy of such written agreement to Landlord). No such assignment or subletting shall constitute a novation. In the event of the occurrence of an event of default while the demised premises are assigned or sublet, Landlord, in addition to any other remedies provided herein or by law, may at Landlord's option, collect directly from such assignee or subtenant all rents becoming due under such assignment or subletting and apply such rent against any sums due to Landlord hereunder. No direct collection by Landlord from any such assignee, transferee, pledgee, or person or entity to whom this Lease is otherwise conveyed or to such subtenant shall release Tenant from the payment or performance of Tenant's obligations hereunder. Tenant shall provide to Landlord the names and addresses of any subtenants and the make, model, aircraft type and "N" number of any aircraft stored or located on or in the demised premises.

B. Tenant shall have the right to mortgage the leasehold estate of Tenant created hereby in order to secure a mortgage loan for the purpose of (i) obtaining funds for the construction of the improvements described in Paragraph 6, or (ii) for acquisition of leasehold estate and improvements of (iii) other construction upon the

demised premises approved from time to time by Landlord in writing, or (iv) for other purposes which may be approved from time to time by Landlord in writing. In the event that Tenant, pursuant to mortgages or deeds of trust, mortgages the leasehold estate of Tenant created hereby, the leasehold mortgagee shall in no event become personally liable to perform the obligations of Tenant under this Lease unless and until said mortgagee becomes the owner of the leasehold estate pursuant to foreclosure, transfer in lieu of foreclosure, or otherwise, and thereafter said leasehold mortgagee shall remain liable for such obligations only so long as such mortgagee remains the owner of the leasehold estate. Notwithstanding the foregoing, it is specifically understood and agreed that no such mortgaging by Tenant and/or any actions taken pursuant to the terms of such mortgage shall ever relieve Tenant of Tenant's obligation to pay the rental due hereunder and otherwise fully perform the terms and conditions of this Lease.

E. Landlord further agrees to execute and deliver to any proposed leasehold mortgagee of Tenant a "Non-Disturbance Agreement" wherein Landlord agrees that Landlord will (i) recognize such mortgagee and its successors and assigns after foreclosure, or transfer in lieu of foreclosure, as Tenant hereunder, and (ii) continue to perform all of Landlord's obligations hereunder so long as such mortgagee or its successors and assigns performs all of the obligations of Tenant hereunder; provided, however, that notwithstanding the foregoing or any other provision of this Lease, such mortgagee shall and does not have the right and shall and does not have the power to assign, sell, transfer, pledge or otherwise convey this Lease or sublet the whole or any part of the Demised Premises without the prior written approval of the Landlord, and any such assignment, sale, transfer, pledge or other conveyance and any such subletting shall be null and void and a cause for immediate termination of this Lease by Landlord, it being the intent of this provision that such mortgagee shall have no greater right to assign, pledge, transfer or otherwise convey this Lease, or to sublet the Demised Premises (or any portion thereof), or to use the demised premises, than the Tenant has. Landlord also agrees to reasonably consider the execution and delivery to such proposed leasehold mortgagee of any other documents which such proposed leasehold mortgagee may reasonably request concerning the mortgaging by Tenant of the leasehold estate created hereby; provided, however, that Landlord shall never be required to subordinate Landlord's interest in the demised premises to the mortgage of such proposed leasehold mortgage.

G. Amendment to Paragraph 10. Paragraph 10 of the Ground Lease is hereby amended so that it shall hereafter read as follows:

10. Property Taxes and Assessments: Tenant shall pay, before they become delinquent, any and all property taxes or assessments, and any other governmental charges, fees or expenses, levied or assessed on any improvements on the demised premises, the personal property and fixtures on the demised premises, and, if applicable, upon the leasehold estate of Tenant created hereby. Upon the request of Landlord, Tenant shall from time to time furnish to Landlord "paid receipts" or other written evidence that all such taxes have been paid by Tenant.

H. Amendment to Paragraph 11. Paragraph 11, subparagraph A. of the Ground Lease is hereby amended so that it shall hereafter read as follows:

11. Maintenance and Repair of Demised Premises:

A. Tenant shall, throughout the term hereof, maintain in good repair and in a first class condition (in accordance with, among other things, any construction and/or maintenance standards and specification established by Landlord or Manager and all applicable ordinances, rules, regulations, standards, and permits of the Town of Addison, Texas) all the demised premises and all fixtures, equipment and personal property on the demised premises and keep them free from waste or nuisance and, at the expiration or termination of this Lease, deliver up the demised premises clean and free of trash and in good repair and condition, with all fixtures and equipment situated in the demised premises in good working order, reasonable wear and tear excepted.

I. Amendment to Paragraph 13. Paragraph 13 of the Ground Lease is hereby amended so that it shall hereafter read as follows:

13. Insurance: Tenant shall during the term hereof maintain at Tenant's sole cost and expense insurance relating to the demised premises as follows:

(i) Insurance against loss or damage to improvements by fire, lightning, and all other risks from time to time included under standard extended coverage policies, and sprinkler, vandalism and malicious mischief, all in amounts sufficient to prevent Landlord or Tenant from becoming co-insurers of any loss under the applicable policies but in any event in amounts not less than one hundred percent (100%) of the full insurable value of the demised premises and any and all improvements thereon. The term "full insurable value" as used herein means actual replacement value at the time of such loss. Upon request, such replacement value shall be determined by a qualified appraiser, a copy of whose findings shall be submitted to Landlord, and, therefore, proper adjustment in the limits of insurance coverage shall be effected.

(ii) Commercial General Liability insurance against claims for bodily injury, death or property damage or destruction occurring on, in or about the demised premises, with limits of liability of not less than \$2,000,000.00 for each occurrence, CSL/\$4,000,000.00 general aggregate. Coverage must include contractual liability.

(iii) Statutory limits of workers compensation insurance and employer's liability with limits of liability of not less than \$1,000,000.00 each-occurrence each accident/\$1,000,000.00 by disease each-occurrence/\$1,000,000.00 by disease aggregate.

(iv) If applicable, boiler and pressure vessel insurance on all steam boilers, parts thereof and appurtenances attached or connected thereto which by reason of their use or existence are capable of bursting, erupting, collapsing, imploding or exploding, in the minimum amount of \$500,000.00 for damage to or destruction of property resulting from such perils.

(v) Such other insurance on improvements in such amounts and against such other insurable hazard which at the time are commonly obtained in the case of property similar to such improvements.

(vi) Hangarkeepers Legal Liability insurance, at limits of \$1,000,000.00 per-occurrence is required if Tenant is engaged in maintenance, repair, or servicing of aircraft belonging to a third-party, or if Tenant is otherwise involved in any operation in which Tenant has care, custody, or control of an aircraft that belongs to a third-party.

(vii) During any period of construction, a Builder's Risk Completed Value policy with an all risks endorsement.

(viii) Aircraft liability insurance against third party bodily injury or death and property damage or destruction at minimum limits required by regulatory agencies having jurisdiction at the Airport and which are acceptable to Landlord, but in any event not less than \$1,000,000.00 each occurrence (applies to the ownership, operation or use of aircraft by Tenant or any subtenant).

All such policies of insurance shall (i) be issued by insurance companies acceptable to Landlord and authorized to do business in Texas and in the standard form approved by the Texas Department of Insurance, (ii) name the Town of Addison, Texas, and Manager and their respective officials, officers, employees and agents as additional insureds or loss payees, as the case may be, (iii) in all liability policies, provide that such policies are primary insurance to any other insurance available to the additional insureds, with respect to any claims arising out of activities conducted hereunder, (iv) contain a waiver of subrogation endorsement in favor of the Town of Addison, Texas, and (v) provide for at least thirty (30) days written notice to the Town of Addison, Texas prior to cancellation, non-renewal or material modification which affects this Lease. Certificates of insurance (together with the declaration page of such policies, along with the endorsement naming the Town of Addison, Texas and the Manager as an additional insured), satisfactory to Landlord, evidencing all coverage above, shall be promptly delivered to Landlord and updated as may be appropriate, with complete copies of such policies furnished to the Landlord upon request. Landlord reserves the right to review the insurance requirements contained herein and to reasonably adjust coverages and limits when deemed necessary and prudent by Landlord.

J. Amendment to Paragraph 18. Paragraph 18 of the Ground Lease is hereby amended so that it shall hereafter read as follows:

18. Airport Minimum Standards and Rules and Regulations:

A. Landlord has adopted Minimum Standards for all operators at the Airport (hereinafter referred to as the "Minimum Standards") which shall govern Tenant in the use of the demised premises and all common facilities, a copy of which has been furnished to Tenant. The Minimum Standards are incorporated by reference as if written verbatim herein, and Tenant agrees to comply fully at all times with the Minimum Standards. Landlord shall have the right to amend, modify and alter the Minimum Standards from time to time for the purpose of assuring the safety, welfare and convenience of Landlord, Tenant and all other tenants and customers of the Airport.

B. Landlord has adopted Rules and Regulations (hereinafter referred to as the "Rules and Regulations") which shall govern Tenant in the use of the demised premises and all common facilities, a copy of which has been furnished to Tenant. The Rules and Regulations are incorporated by reference as if written verbatim herein, and Tenant agrees to comply fully at all times with the Rules and Regulations. Landlord shall have the right to amend, modify and alter the Rules and Regulations from time to time for the purpose of assuring the safety, welfare and convenience of Landlord, Tenant and all other tenants and customers of the Airport.

K. Amendment to Paragraph 19. Paragraph 19 of the Ground Lease is hereby amended so that it shall hereafter read as follows:

19. Signs and Equipment. After first securing Landlord's approval, Tenant shall have the right from time to time to install signs depicting Tenant's name and operate radio, communications, meteorological, aerial navigation and other equipment and facilities in or on the demised premises that may be reasonably necessary for the operation of Tenant's business, provided such signs and equipment are installed and maintained in compliance with all applicable governmental laws, rules, and regulations, including without limitation the Town of Addison's sign ordinance, and do not interfere with the operation of any navigation facilities or Airport communications (including, without limitation, navigation facilities or Airport communications used or operated by the Federal Aviation Administration).

L. Amendment to Paragraph 21. Paragraph 21 of the Ground Lease is hereby amended so that it shall hereafter read as follows:

21. Indemnity and Exculpation.

**A. LANDLORD AND MANAGER, AND LANDLORD'S AND MANAGER'S OFFICIALS, OFFICERS, EMPLOYEES AND AGENTS (BOTH IN THEIR OFFICIAL AND PRIVATE CAPACITIES) SHALL NOT BE LIABLE TO TENANT OR TO TENANT'S EMPLOYEES, AGENTS, SERVANTS, CUSTOMERS, INVITEES, SUBTENANTS, LICENSEES, CONCESSIONAIRES, CONTRACTORS, SUBCONTRACTORS, OR TO ANY OTHER PERSON WHOMSOEVER, FOR ANY DEATH OR INJURY**



TO PERSONS OR DAMAGE TO OR DESTRUCTION OF PROPERTY OR ANY OTHER HARM ON OR ABOUT THE DEMISED PREMISES OR ANY ADJACENT AREA OWNED BY LANDLORD CAUSED BY OR RESULTING FROM ANY ACT OR OMISSION OF TENANT, TENANT'S EMPLOYEES, AGENTS, SERVANTS, CUSTOMERS, INVITEES, SUBTENANTS, LICENSEES, CONCESSIONAIRES, CONTRACTORS, SUBCONTRACTORS, OR ANY OTHER PERSON ENTERING THE DEMISED PREMISES UNDER EXPRESS OR IMPLIED INVITATION OF TENANT, OR ARISING OUT OF THE USE OR OCCUPATION OF THE DEMISED PREMISES BY TENANT, ITS EMPLOYEES, AGENTS, SERVANTS, CUSTOMERS, INVITEES, SUBTENANTS, LICENSEES, CONCESSIONAIRES, CONTRACTORS, OR SUBCONTRACTORS AND/OR THE CONDUCT OF TENANT'S BUSINESS THEREON, OR ARISING OUT OF ANY BREACH OR DEFAULT BY TENANT IN THE PERFORMANCE OF TENANT'S OBLIGATIONS HEREUNDER; AND TENANT HEREBY AGREES TO AND SHALL DEFEND AND INDEMNIFY LANDLORD AND MANAGER, AND LANDLORD'S AND MANAGER'S RESPECTIVE OFFICIALS, OFFICERS, EMPLOYEES AND AGENTS AGAINST, AND HOLD LANDLORD AND MANAGER, AND LANDLORD'S AND MANAGER'S RESPECTIVE OFFICIALS, OFFICERS, EMPLOYEES AND AGENTS HARMLESS FROM ANY AND ALL LIABILITY, DAMAGES, COSTS, PENALTIES, LOSS, EXPENSE OR CLAIMS ARISING OUT OF SUCH DAMAGE, DESTRUCTION, INJURY, DEATH OR HARM.

B. TENANT AGREES TO AND SHALL DEFEND (WITH COUNSEL ACCEPTABLE TO LANDLORD) AND INDEMNIFY LANDLORD AND MANAGER, AND LANDLORD'S AND MANAGER'S RESPECTIVE OFFICIALS, OFFICERS, EMPLOYEES AND AGENTS (BOTH IN THEIR OFFICIAL AND PRIVATE CAPACITIES) (TOGETHER, FOR PURPOSES OF THIS SUBPARAGRAPH, "INDEMNIFIED PERSONS") AGAINST, AND HOLD THE INDEMNIFIED PERSONS HARMLESS FROM, ANY AND ALL CLAIMS, ACTIONS, CAUSES OF ACTION, DEMANDS, LOSSES, HARM, DAMAGES, PENALTIES, LIABILITY, EXPENSES, LAWSUITS, JUDGMENTS, COSTS, AND FEES (INCLUDING REASONABLE ATTORNEY FEES AND COURT COSTS) ("DAMAGES"), ASSERTED BY ANY PERSON OR ENTITY ON ACCOUNT OF OR FOR ANY INJURY TO OR THE DEATH OF ANY PERSON, OR ANY DAMAGE TO OR DESTRUCTION OF ANY PROPERTY, OR ANY OTHER HARM FOR WHICH DAMAGES OR ANY OTHER FORM OF RECOVERY IS SOUGHT (WHETHER AT LAW OR IN EQUITY), RESULTING FROM, BASED UPON, OR ARISING OUT OF, IN WHOLE OR IN PART, ANY CONDITION OF THE DEMISED PREMISES OR ANY ACT OR OMISSION OF TENANT, ITS OFFICERS, EMPLOYEES, AGENTS, ENGINEERS, CONSULTANTS, CONTRACTORS, SUBCONTRACTORS, INVITEES, OR ANY PERSON OR ENTITY DIRECTLY OR INDIRECTLY EMPLOYED BY OR ACTING UNDER TENANT, UNDER, IN

CONNECTION WITH, OR IN THE PERFORMANCE OF, THIS LEASE, INCLUDING ALL DAMAGES CAUSED BY THE INDEMNIFIED PERSON'S OWN NEGLIGENCE, OR CONDUCT THAT MAY OR DOES EXPOSE AN INDEMNITEE TO STRICT LIABILITY UNDER ANY LEGAL THEORY, EXCEPT AS SPECIFICALLY LIMITED HEREIN, EXCEPTING ONLY THAT TENANT SHALL NOT BE OBLIGATED TO SO DEFEND, INDEMNIFY AND HOLD HARMLESS LANDLORD AND MANAGER IF SUCH DAMAGES, INJURY OR HARM IS DUE TO THE SOLE NEGLIGENCE OF LANDLORD OR MANAGER.

C. LANDLORD AND MANAGER, AND LANDLORD'S AND MANAGER'S OFFICIALS, OFFICERS, AGENTS AND EMPLOYEES (BOTH IN THEIR OFFICIAL AND PRIVATE CAPACITIES) SHALL BE DEFENDED, INDEMNIFIED AND HELD HARMLESS BY AND NOT BE LIABLE TO TENANT FOR ANY DEATH OR INJURY TO ANY PERSON OR PERSONS OR DAMAGE TO OR DESTRUCTION OF PROPERTY OF ANY KIND RESULTING FROM THE DEMISED PREMISES BECOMING OUT OF REPAIR OR BY DEFECT IN OR FAILURE OF EQUIPMENT, PIPES, OR WIRING, OR BROKEN GLASS, OR BY THE BACKING UP OF DRAINS, OR BY GAS, WATER, STEAM, ELECTRICITY OR OIL LEAKING, ESCAPING OR FLOWING INTO THE DEMISED PREMISES, REGARDLESS OF THE SOURCE, OR BY DAMPNES OR BY FIRE, EXPLOSION, FALLING PLASTER OR CEILING OR FOR ANY OTHER REASON WHATSOEVER. LANDLORD AND MANAGER, AND LANDLORD'S AND MANAGER'S OFFICIALS, OFFICERS, AGENTS AND EMPLOYEES, SHALL NOT BE LIABLE TO TENANT FOR ANY LOSS OR DAMAGE THAT MAY BE OCCASIONED BY OR THROUGH THE ACTS OR OMISSIONS OF OTHER TENANTS OF LANDLORD OR CAUSED BY OPERATIONS IN CONSTRUCTION OF ANY PRIVATE, PUBLIC OR QUASI-PUBLIC WORK, OR OF ANY OTHER PERSONS WHOMSOEVER, EXCEPTING ONLY THE DULY AUTHORIZED AND RESPECTIVE AGENTS AND EMPLOYEES OF LANDLORD OR MANAGER, AS THE CASE MAY BE.

D. THE PROVISIONS OF THIS SECTION 21 SHALL SURVIVE THE EXPIRATION OR TERMINATION OF THIS LEASE.

M. Addition of Paragraph 21.1. A new Paragraph 21.1 is hereby inserted and made a part of the Ground Lease to read as follows:

Section 21.1. Environmental Compliance.

A. Tenant shall not install, store, use, treat, transport, discharge or dispose (or permit or acquiesce in the installation, storage, use, treatment, transportation, discharge or disposal by Tenant, its agents, employees, invitees, contractors, subcontractors, independent contractors, or subtenants) on the demised premises or any portion of the common facilities (described in Paragraph 17), any: (a) asbestos

in any form; (b) urea formaldehyde foam insulation; (c) transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls in excess of 50 parts per million; or (d) any other chemical, material, air pollutant, toxic pollutant, waste, or substance which is regulated as toxic or hazardous or exposure to which is prohibited, limited or regulated by the Resource Conservation Recovery Act (42 U.S.C. §6901, et seq., as amended or superseded), the Comprehensive and Environmental Response Compensation and Liability Act (42 U.S.C. §9601, et seq, as amended or superseded), the Hazardous Materials Transportation Act, the Toxic Substances Control Act, the Clean Air Act, and/or the Clean Water Act or any other federal, state, county, regional, local or other governmental authority law, rule, regulation, standard, permit, directive or policy, or which, even if not so regulated may or could pose a hazard to the health and safety of the occupants of the demised premises and/or any portions of the common facilities, and which is either: (i) in amounts in excess of that permitted or deemed safe under applicable law; or (ii) in any manner prohibited or deemed unsafe under applicable law. (The substances referred to in (a), (b), (c) or (d) are collectively referred to hereinafter as "Hazardous Materials").

**B. TENANT SHALL, AT TENANT'S OWN EXPENSE, COMPLY WITH ANY PRESENTLY EXISTING OR HEREAFTER ENACTED LAWS, RULES, REGULATIONS, STANDARDS, DIRECTIVES, PERMITS, OR NOTICES RELATING TO HAZARDOUS MATERIALS (COLLECTIVELY, "CLEANUP LAWS"). IN FURTHERANCE AND NOT IN LIMITATION OF THE FOREGOING, TENANT SHALL, AT TENANT'S OWN EXPENSE, MAKE ALL SUBMISSIONS TO, PROVIDE ALL INFORMATION TO, AND COMPLY WITH ALL REQUIREMENTS OF THE APPROPRIATE GOVERNMENTAL AUTHORITY (THE "AUTHORITY") UNDER THE CLEANUP LAWS. SHOULD ANY AUTHORITY REQUIRE THAT A CLEANUP PLAN BE PREPARED AND THAT A CLEANUP BE UNDERTAKEN BECAUSE OF THE EXISTENCE OF HAZARDOUS MATERIALS WHICH WERE INSTALLED, STORED, USED, TREATED, TRANSPORTED, DISPOSED OF OR DISCHARGED ON THE DEMISED PREMISES AND/OR ANY PORTION OF THE COMMON FACILITIES (AS DESCRIBED IN PARAGRAPH 17) BY TENANT, TENANT'S OFFICERS, REPRESENTATIVES, AGENTS, EMPLOYEES, INVITEES, LICENSEES, CUSTOMERS, CONCESSIONAIRES, CONTRACTORS, SUBCONTRACTORS, ANY PERSON ACTING BY OR UNDER THE AUTHORITY OR WITH THE PERMISSION OF TENANT, SUBTENANTS, OR ANY OTHER PERSON ENTERING THE DEMISED PREMISES UNDER EXPRESS OR IMPLIED INVITATION OF TENANT DURING THE TERM OF THIS LEASE, TENANT SHALL, AT TENANT'S OWN COST AND EXPENSE, PREPARE AND SUBMIT THE REQUIRED PLANS AND FINANCIAL ASSURANCES AND CARRY OUT THE APPROVED PLANS IN ACCORDANCE WITH SUCH CLEANUP LAWS AND TO LANDLORD'S SATISFACTION. AT NO EXPENSE TO LANDLORD, TENANT SHALL PROMPTLY PROVIDE ALL INFORMATION REQUESTED BY LANDLORD FOR PREPARATION OF AFFIDAVITS OR**

OTHER DOCUMENTS REQUIRED BY LANDLORD TO DETERMINE THE APPLICABILITY OF THE CLEANUP LAWS TO THE DEMISED PREMISES AND/OR ANY PORTION OF THE COMMON FACILITIES, AS THE CASE MAY BE, AND SHALL SIGN THE AFFIDAVITS PROMPTLY WHEN REQUESTED TO DO SO BY LANDLORD. TENANT SHALL INDEMNIFY, DEFEND, SAVE AND HOLD HARMLESS LANDLORD AND MANAGER, AND LANDLORD'S AND MANAGER'S OFFICIALS, OFFICERS, AGENTS AND EMPLOYEES (BOTH IN THEIR OFFICIAL AND PRIVATE CAPACITIES) FROM AND AGAINST, AND REIMBURSE LANDLORD FOR, ANY AND ALL OBLIGATIONS, DAMAGES, INJUNCTIONS, FINES, PENALTIES, DEMANDS, CLAIMS, COSTS, EXPENSES, ACTIONS, LIABILITIES, SUITS, PROCEEDINGS AND LOSSES OF WHATEVER NATURE (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES AND COURT COSTS), AND ALL CLEANUP OR REMOVAL COSTS AND ALL ACTIONS OF ANY KIND ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE INSTALLATION, STORAGE, USE, TREATMENT, TRANSPORTING, DISPOSAL OR DISCHARGE OF HAZARDOUS MATERIALS IN OR ON THE DEMISED PREMISES AND/OR ANY PORTION OF THE COMMON FACILITIES BY TENANT, TENANT'S OFFICERS, REPRESENTATIVES, AGENTS, EMPLOYEES, INVITEES, LICENSEES, CUSTOMERS, CONCESSIONAIRES, CONTRACTORS, SUBCONTRACTORS, ANY PERSON ACTING BY OR UNDER THE AUTHORITY OR WITH THE PERMISSION OF TENANT, SUBTENANTS, OR ANY OTHER PERSON ENTERING THE DEMISED PREMISES UNDER EXPRESS OR IMPLIED INVITATION OF TENANT DURING THE LEASE TERM; AND FROM ALL FINES, SUITS, PROCEDURES, CLAIMS AND ACTIONS OF ANY KIND ARISING OUT OF TENANT'S (OR TENANT'S OFFICERS, REPRESENTATIVES, AGENTS, EMPLOYEES, INVITEES, LICENSEES, CUSTOMERS, CONCESSIONAIRES, CONTRACTORS, SUBCONTRACTORS, ANY PERSON ACTING BY OR UNDER THE AUTHORITY OR WITH THE PERMISSION OF TENANT, SUBTENANTS, OR ANY OTHER PERSON ENTERING THE DEMISED PREMISES UNDER EXPRESS OR IMPLIED INVITATION OF TENANT) FAILURE TO PROVIDE ALL INFORMATION, MAKE ALL SUBMISSIONS AND TAKE ALL STEPS REQUIRED BY THE AUTHORITY UNDER THE CLEANUP LAWS OR ANY OTHER LAW (ENVIRONMENTAL OR OTHERWISE). TENANT'S OBLIGATIONS AND LIABILITIES UNDER THIS SUBPARAGRAPH SHALL CONTINUE (AND SURVIVE THE TERMINATION OR EXPIRATION OF THIS LEASE) SO LONG AS THERE MAY BE HAZARDOUS MATERIALS AT THE DEMISED PREMISES AND/OR ANY PORTION OF THE COMMON FACILITIES, THAT WERE INSTALLED, STORED, USED, TREATED, TRANSPORTED, DISPOSED OF OR DISCHARGED DURING THE LEASE TERM BY TENANT, OR TENANT'S OFFICERS, REPRESENTATIVES, AGENTS, EMPLOYEES, INVITEES, LICENSEES, CUSTOMERS, CONCESSIONAIRES, CONTRACTORS, SUBCONTRACTORS, ANY

**PERSON ACTING BY OR UNDER THE AUTHORITY OR WITH THE PERMISSION OF TENANT, SUBTENANTS, OR ANY OTHER PERSON ENTERING THE DEMISED PREMISES UNDER EXPRESS OR IMPLIED INVITATION OF TENANT. IN ADDITION TO AND NOT IN LIMITATION OF LANDLORD'S OTHER RIGHTS AND REMEDIES, TENANT'S FAILURE TO ABIDE BY THE TERMS OF THIS SECTION SHALL BE RESTRAINABLE BY INJUNCTION.**

C. Tenant shall promptly supply Landlord with copies of any notices, correspondence and submissions made by Tenant to or received by Tenant from any governmental authorities of the United States Environmental Protection Agency, the United States Occupational Safety and Health Administration, or any other local, state or federal authority that requires submission of any information concerning environmental matters or Hazardous Materials.

D. Tenant's obligations and liability pursuant to the terms of this Paragraph 21.1 shall survive the expiration or earlier termination of this Lease."

N. Amendment to Paragraph 22. Paragraph 22 of the Ground Lease is hereby amended so that it shall hereafter read as follows:

22. Default by Tenant: The following events shall be deemed to be events of default by Tenant under this Lease:

A. Failure of Tenant to pay any installment of rent or to pay or cause to be paid taxes (to the extent Tenant is obligated to pay or cause same to be paid), utilities, or insurance premiums, or any other payment or sum which Tenant is to make under this Lease, on the date that same is due and such failure shall continue for a period of ten (10) days after the date on which such payment is to be made.

B. Failure of Tenant to comply with any term, condition or covenant of this Lease, other than the payment of rent or the payment of taxes, utilities or insurance premiums, or other payment Tenants is to make under this Lease, as set forth in subparagraph A. of this Paragraph 22, and such failure shall not be cured within thirty (30) days after written notice thereof to Tenant (and if such failure cannot reasonably be cured with the said thirty (30) period, Tenant may, with Landlord's prior written consent (which consent shall not be unreasonably withheld), have such additional reasonable time (as agreed upon by Landlord and Tenant) to cure such default, provided that Tenant pursues such cure with all due diligence).

C. Insolvency, the making of a transfer in fraud of creditors, or the making of an assignment for the benefit of creditors by Tenant or any guarantor of Tenant's obligations.

D. Filing of a petition under any section or chapter of the National Bankruptcy Act, as amended, or under any similar law or statute of the United States or any State

thereof by Tenant or any guarantor of Tenant's obligations, or adjudication as a bankrupt or insolvent in proceedings filed against Tenant or such guarantor.

E. Appointment of a receiver or trustee for all or substantially all of the assets of Tenant or any guarantor of Tenant's obligations.

F. Abandonment by Tenant for a period of thirty (30) days of any substantial portion of the demised premises or cessation of use of the demised premises for the purpose leased.

O. Amendment to Paragraph 26. Paragraph 26 of the Ground Lease is hereby amended so that it shall hereafter read as follows:

26. Title to Improvements: Any and all improvements on the demised premises shall become the property of Landlord upon the expiration or termination of this Lease; provided, however: (i) if Tenant is not then in default hereunder, Tenant shall have the right to remove all personal property and trade fixtures owned by Tenant from the demised premises, but Tenant shall be required to repair any damage to the demised premises caused by such removal in a good and workmanlike manner and at Tenant's sole cost and expense; and (ii) Landlord may elect to require Tenant to remove all improvements from the demised premises and restore the demised premises to the condition in which the same existed on the date hereof, in which event Tenant shall promptly perform such removal and restoration in a good and workmanlike manner and at Tenant's sole cost and expense. Upon such termination or expiration, Tenant shall deliver the demised premises to Landlord in good condition, reasonable wear and tear excepted, and shall, at Landlord's request, execute a recordable instrument evidencing the termination or expiration of this Lease and stating the termination or expiration date.

P. Amendment to Paragraph 27. Paragraph 27 of the Ground Lease is hereby amended so that it shall hereafter read as follows:

27. Mechanics' and Materialmen's Liens; Landlord's Lien:

A. Tenant agrees to indemnify and hold Landlord harmless of and from all liability arising out of the filing of any mechanics' or materialmen's liens against the demised premises by reason of any act or omission of Tenant or anyone claiming under Tenant, and Landlord, at Landlord's option, may satisfy such liens and collect the amount expended from Tenant together with interest thereon as provided in Paragraph 37 as additional rent; provided, however, that Landlord shall not so satisfy such liens until fifteen (15) days after written notification to Tenant of Landlord's intention to do so and Tenant's failure during such fifteen (15) day period to bond such liens or escrow funds with appropriate parties to protect Landlord's interest in the demised premises.

B. TENANT HEREBY GRANTS TO LANDLORD A CONTINUING SECURITY INTEREST TO SECURE PAYMENT OF ALL RENT AND

OTHER SUMS OF MONEY COMING DUE HEREUNDER FROM TENANT, AND TO SECURE PAYMENT OF ANY DAMAGES OR LOSS WHICH LANDLORD MAY SUFFER BY REASON OF THE BREACH BY TENANT OF ANY COVENANT, AGREEMENT, OR CONDITION CONTAINED HEREIN, UPON ALL GOODS, WARES, EQUIPMENT, FIXTURES, FURNITURE, IMPROVEMENTS AND OTHER PERSONAL PROPERTY OF TENANT PRESENTLY OR WHICH MAY HEREAFTER BE SITUATED ON THE LEASED PREMISES, AND ALL PROCEEDS THEREFROM ("COLLATERAL"). TENANT WILL NOT REMOVE, OR ALLOW OTHERS TO REMOVE, ANY OF SUCH COLLATERAL FROM THE LEASED PREMISES WITHOUT LANDLORD'S PRIOR WRITTEN CONSENT; BUT TENANT MAY REMOVE COLLATERAL IN THE ORDINARY COURSE OF BUSINESS BEFORE A DEFAULT. IF A DEFAULT OCCURS, LANDLORD WILL BE ENTITLED TO EXERCISE ANY OR ALL RIGHTS AND REMEDIES UNDER THE UNIFORM COMMERCIAL CODE OR OTHERWISE PROVIDED IN THIS LEASE OR BY LAW. IN ADDITION TO ANY OTHER REMEDIES PROVIDED IN THIS LEASE OR BY LAW OR EQUITY, IN THE EVENT OF DEFAULT, LANDLORD MAY ENTER THE LEASED PREMISES AND TAKE POSSESSION OF ANY AND ALL GOODS, WARES, EQUIPMENT, FIXTURES, FURNITURE, IMPROVEMENTS AND OTHER PERSONAL PROPERTY OF TENANT SITUATED UPON THE LEASED PREMISES WITHOUT LIABILITY FOR TRESPASS OR CONVERSION. LANDLORD MAY SELL THE SAME AT A PUBLIC OR PRIVATE SALE, WITH OR WITHOUT HAVING SUCH PROPERTY AT THE SALE, AFTER GIVING TENANT REASONABLE NOTICE AS TO THE TIME AND PLACE OF THE SALE. AT SUCH SALE, LANDLORD OR ITS ASSIGNS MAY PURCHASE THE PROPERTY UNLESS SUCH PURCHASE IS OTHERWISE PROHIBITED BY LAW. UNLESS OTHERWISE PROVIDED BY LAW, THE REQUIREMENT OF REASONABLE NOTICE SHALL BE MET IF SUCH NOTICE IS GIVEN TO TENANT AT THE ADDRESS HEREAFTER PRESCRIBED AT LEAST FIFTEEN (15) DAYS PRIOR TO THE TIME OF THE SALE. THE PROCEEDS OF ANY SUCH DISPOSITION, LESS ALL EXPENSES CONNECTED WITH THE TAKING OF POSSESSION AND SALE OF THE PROPERTY, INCLUDING A REASONABLE ATTORNEY'S FEE, SHALL BE APPLIED AS A CREDIT AGAINST THE INDEBTEDNESS SECURED BY THE SECURITY INTEREST GRANTED IN THIS PARAGRAPH. ANY SURPLUS SHALL BE PAID TO TENANT AND TENANT SHALL PAY ANY DEFICIENCIES UPON DEMAND. UPON REQUEST BY LANDLORD, TENANT WILL EXECUTE AND DELIVER TO LANDLORD A FINANCING STATEMENT IN A FORM SUFFICIENT TO PERFECT THE SECURITY INTEREST OF THE LANDLORD IN THE AFOREMENTIONED PROPERTY AND THE PROCEEDS THEREOF UNDER THE PROVISION OF THE UNIFORM COMMERCIAL CODE IN FORCE IN THE STATE OF TEXAS, AND TENANT IRREVOCABLY APPOINTS LANDLORD AS TENANT'S ATTORNEY-IN-FACT TO SIGN AND DELIVER A FINANCING

**STATEMENT TO LANDLORD IF TENANT FAILS OR REFUSES TO DO SO. THIS POWER-OF-ATTORNEY IS COUPLED WITH AN INTEREST. ANY STATUTORY LIEN FOR RENT IS NOT WAIVED; THE SECURITY INTEREST HEREIN GRANTED IS IN ADDITION AND SUPPLEMENTARY THERETO."**

C. Notwithstanding anything to the contrary, in exercising Landlord's rights under this Paragraph 27, Landlord shall not be entitled to take possession of or withhold Tenant's right to possess Tenant's business records, books, written or printed material, and computers, or to violate the quality control concerning aircraft parts and aircraft records which are located in a clearly marked secured area.

Q. Amendment to Paragraph 28. Paragraph 28 of the Ground Lease is hereby amended so that it shall hereafter read as follows:

28. Title. Tenant accepts the demised premises subject to: (i) the Base Lease; (ii) Minimum Standards; (iii) the Rules and Regulations; (iv) easements and rights-of way and (v) zoning ordinances and other ordinances, laws, statutes or regulations now in effect or hereafter promulgated by any governmental authority having jurisdiction over the demised premises (including, without limitation, the City, the Federal Aviation Administration, and the Texas Department of Transportation), and (vi) any and all grant agreements or assurances regarding the Airport whether now in effect or hereafter agreed to or imposed.

R. Amendment to Paragraph 29. Paragraph 29 of the Ground Lease is hereby amended so that it shall hereafter read as follows:

29. Quiet Enjoyment and Subordination: Landlord covenants, represents and warrants that Landlord has full right and power to execute and perform this Lease and to grant the estate demised herein, and that Tenant, upon payment of the rents herein reserved, and performance of the terms, conditions, covenants and agreements herein contained, shall (subject to all of the terms and conditions of this Lease) peaceably and quietly have, hold and enjoy the demised premises during the full term of this Lease; provided, however, that Tenant accepts this Lease subject and subordinate to any recorded mortgage, deed of trust or other lien presently existing upon, or to any other matter affecting, the demised premises. Landlord further is hereby irrevocably vested with full power and authority by Tenant to subordinate Tenant's interest hereunder to any mortgage, deed of trust or other lien now existing or hereafter placed on the demised premises or to declare this Lease prior and superior to any mortgage, deed of trust or other lien now existing or hereafter placed on the demised premises; provided, however, any such subordination shall be upon the express conditions that (i) this Lease shall be recognized by the mortgagee and that all of the rights of Tenant shall remain in full force and effect during the full term of this Lease on condition that Tenant attorn to the mortgagee, its successors and assigns, and perform all of the covenants and conditions required by the terms of this Lease, and (ii) in the event of foreclosure or any enforcement of any such mortgage, the rights of Tenant hereunder shall



expressly survive and this Lease shall in all respects continue in full force and effect so long as Tenant shall fully perform all Tenant's obligations hereunder and attorn to the purchaser. Tenant also agrees upon demand to execute further instruments declaring this Lease prior and superior to any mortgage, deed of trust or other lien and specifically providing that this Lease shall survive the foreclosure of such mortgage, deed of trust or other lien.

S. Addition of Paragraph 37.1. A new Paragraph 37.1 is hereby inserted and made a part of the Ground Lease to read as follows:

37.1. Special Events: Landlord may sponsor certain special events, including, but not limited to, air shows, to be conducted on portions of the Airport, which may limit or obstruct access to the demised premises and/or to the Airport ("Special Events"). As a material inducement to Landlord to enter into this Lease, and notwithstanding anything to the contrary contained herein, Tenant, on behalf of Tenant and on behalf of all directors, officers, shareholders, partners, principals, employees, agents, contractors, subtenants, licensees invitees, or concessionaires of Tenant and on behalf of any other party claiming any right to use the demised premises by, through or under Tenant, hereby: (i) agrees that Landlord has the right to sponsor any or all Special Events and to allow use of portions of the Airport therefor even if the same limit or obstruct access to the demised premises and/or to the Airport (and such use for Special Events may preclude Tenant's use of all Airport facilities, except that Tenant will continue to have vehicular (excluding any aircraft) access to the demised premises from roadways outside of the Airport); (ii) releases, waives and discharges Landlord and Manager, and their respective officials, officers, employees and agents, from all liability for any loss, damage, cost, expense or claim arising or resulting from or pertaining to the limitation or obstruction of access to the demised premises and/or to the Airport from the conduct of Special Events and/or activities relating or pertaining thereto, including, without limitation, death, injury to person or property or loss of business or revenue (the "Released Claims"); (iii) covenants not to sue the Landlord or Manager or their respective officials, officers, employees and agents (whether in their official or private capacities) for any Released Claims; (iv) agrees that the terms contained in this Section are intended and shall be construed to be as broad and inclusive as possible under the laws of the State of Texas; and (v) agrees that if any portion of this Section is held to be invalid or unenforceable, the remainder of this Paragraph shall not be affected thereby but shall continue in full force and effect.

T. Amendment to Paragraph 48. Paragraph 48 of the Ground Lease is hereby amended so that it shall hereafter read as follows:

"48. Governing Law and Venue; Survivability of Rights and Remedies. This Lease and all of the transactions contemplated herein shall be governed by and construed in accordance with the laws of the State of Texas and with respect to any conflict of law provisions, the parties agree that such conflict of law provisions shall not affect the application of the law of Texas (without reference to its conflict of law provisions) to the interpretation, validity and enforcement of this Agreement, and

Landlord and Tenant both irrevocably agree that venue for any disputed concerning this Lease or any of the transactions contemplated herein shall be in any court of competent jurisdiction in Dallas County, Texas. Any rights and remedies either party may have with respect to the other arising out of the performance of or failure to perform this Lease during the term hereof shall survive the cancellation, expiration or termination of this Lease.

U. Amendment to Paragraph 49. Paragraph 49 of the Ground Lease is hereby amended so that it shall hereafter read as follows:

49. Entire Agreement and Amendments. This Lease, consisting of the above and foregoing through this Paragraph 49 and Exhibits A through F attached hereto, embodies the entire agreement between Landlord and Tenant and supersedes all prior agreements and understandings, whether written or oral, and all contemporaneous oral agreements and understandings relating to the subject matter hereof. Except as otherwise specifically provided herein, no agreement hereafter made shall be effective to change, modify, discharge or effect an abandonment of this Lease, in whole or in part, unless such agreement is in writing and signed by or in behalf of the party against whom enforcement of the change, modification, discharge or abandonment is sought.

**Section 2. No Other Amendments.** Except to the extent modified or amended herein, all other terms and obligations of the Ground Lease shall remain unchanged and in full force and effect.

**Section 3. Applicable Law; Venue.** This Amendment shall be construed under, and in accordance with, the laws of the State of Texas, and all obligations of the parties created by this Amendment are performable in Dallas County, Texas. Venue for any action under this Amendment shall be in Dallas County, Texas.

**Section 4. Authority to Execute.** The undersigned officers and/or agents of the parties hereto are the properly authorized officials and have the necessary authority to execute this Amendment on behalf of the parties hereto, and each party hereby certifies to the other that any necessary resolutions or other act extending such authority have been duly passed and are now in full force and effect.

IN WITNESS WHEREOF, the undersigned parties execute this Agreement this \_\_\_\_\_ day of \_\_\_\_\_, 2004


**LANDLORD:**

**TENANT:**

TOWN OF ADDISON, TEXAS

C. C. HANGAR L. P.

By:   
Ron Whitehead, City Manager

By: 

Typed Name: \_\_\_\_\_

ATTEST:

Title: \_\_\_\_\_

By:   
Carmen Moran, City Secretary

STATE OF TEXAS

§

ASSIGNMENT OF GROUND LEASE

COUNTY OF DALLAS

§

§

9/22/04  
This Assignment of Ground Lease (the "Assignment") is entered into and effective as of ~~June 2004~~, at Addison, Texas, by and between Aquila Lease Company (herein referred to as "Assignor") and C. C. Hangar L. P. (herein referred to as "Assignee").

WHEREAS, a Ground Lease was made and entered on September 28, 1983 between the City of Addison, Texas (the same being the Town of Addison, Texas) and Addison Airport of Texas, Inc., as landlord, and Parkway Jet, Inc. as tenant (the "Ground Lease," a true and correct copy of which Ground Lease is attached hereto as Exhibit A), by the terms of which certain real property located at Addison Airport and described in the Ground Lease within the Town of Addison, Texas (the "City") and owned by the City was leased to Parkway Jet, Inc.; and

WHEREAS, the tenant's leasehold interest in the Ground Lease was thereafter conveyed to Franklin First Federal Savings Bank by Substitute Trustee's Deed executed May 7, 1991 and recorded in Volume 91092, Volume 2558, Deed Records, Dallas County, Texas; and

WHEREAS, thereafter by that Assignment of Lease dated May 13, 1993 (a true and correct copy of which is attached hereto as Exhibit B), the Ground Lease was assigned from Franklin First Savings Bank, successor in interest to Parkway Jet, Inc.'s interest in the Ground Lease, as assignor, to Aquila Leasing Company, as assignee; and

WHEREAS, by virtue of such assignments, Assignor is the current Tenant under the Ground Lease; and

WHEREAS, the Ground Lease provides that, upon the expiration or termination of that certain agreement referred to and defined in the Ground Lease as the "Base Lease" (and being an Agreement for Operation of the Addison Airport between the City and Addison Airport of Texas, Inc.), the City is entitled to all of the rights, benefits and remedies, and will perform the duties, covenants and obligations, of the Landlord under the Ground Lease; and

WHEREAS, the said Base Lease has expired and the City is the Landlord under the Ground Lease; and

WHEREAS, the Ground Lease provides in Section 9 thereof that, without the prior written consent of the Landlord, the Tenant may not assign the Ground Lease or any rights of Tenant under the Ground Lease (except as provided therein), and that any

assignment must be expressly subject to all the terms and provisions of the Ground Lease, and that any assignment must include a written agreement from the assignee whereby the assignee agrees to be bound by the terms and provisions of the Ground Lease; and

**WHEREAS**, Assignor desires to assign the Ground Lease to Assignee, and Assignee desires to accept the Assignment thereof in accordance with the terms and conditions of this Assignment.

**NOW, THEREFORE**, for and in consideration of the mutual promises, covenants, and conditions contained herein, the sufficiency of which are hereby acknowledged, the parties hereto, each intending to be legally bound agree as follows:

#### **AGREEMENT**

1. Assignor hereby assigns, bargains, sells, and conveys to Assignee, effective as of the date above, all of Assignor's right, title, duties, responsibilities, and interest in and to the Ground Lease, attached hereto as Exhibit A, TO HAVE AND TO HOLD the same, for the remaining term thereof, and Assignor does hereby bind itself and its successors and assigns to warrant and forever defend the same unto Assignee against every person or persons lawfully claiming any part thereof through Assignor.

2. Prior to the effective date of this Assignment, Assignee agrees to pay an Assignment Fee in the amount of Four Hundred Fifty Dollars and no/100 (\$450.00) to Landlord.

3. Assignee hereby agrees to and shall be bound by and comply with all of the terms, provisions, duties, conditions, and obligations of tenant under the Ground Lease. Assignee acknowledges and agrees that it assumes and is hereby assuming all obligations, liability and responsibility of Assignor (and Assignor's predecessors in interest to the Ground Lease) in connection with and under the Ground Lease, and agrees to perform the tenant's obligations under the Ground lease. For purposes of notice under the Ground Lease, the address of Assignee is 5400 West Plano Parkway, Suite 200, Plano, Texas 75093.

4. Nothing in this Agreement shall be construed or be deemed to modify, alter, amend or change any term or condition of the Ground Lease, except as set forth herein.

5. Assignor acknowledges that in addition to any other remedies provided in the Ground Lease or by law, Landlord may at its own option, collect directly from the Assignee or any other assignee or any subtenant as may be approved by Landlord in writing all rents becoming due under such assignment or sublease and apply such rent against any sums due to Landlord. No such collection by Landlord from any Assignee or

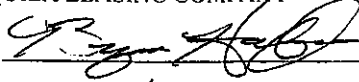
any other approved assignee or subtenant shall release Assignor from the payment or performance of Assignor's obligations under the Ground lease.

6. The above and foregoing premises to this Assignment and statements and representations made herein are true and correct, and Assignor and Assignee both warrant and represent that such premises, statements, and representations are true and correct, and that in giving its consent, Landlord is entitled to rely upon such premises, representations and statements.

IN WITNESS WHEREOF, Assignor and Assignee have executed and delivered this Assignment on the day and the year first set forth above.

**ASSIGNOR:**


AQUILA LEASING COMPANY

By:   
\_\_\_\_\_  
*Vice*, President  
*Byron Holtzman*

**ASSIGNEE:**

C. C. HANGAR, L.P.

By: Vigor Properties, Inc. its General Partner

By:   
\_\_\_\_\_  
Howard D. Kollinger, President

ACKNOWLEDGMENT

STATE OF TEXAS       §  
                                  §  
COUNTY OF DALLAS   §

BEFORE ME, the undersigned authority, on this day personally appeared \_\_\_\_\_ known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that (he, she) executed the same for the purposes and consideration therein stated.

GIVEN under my hand and seal of office this \_\_\_\_ day of \_\_\_\_\_, 2004.

[SEAL]

\_\_\_\_\_  
Notary Public, State of Texas

STATE OF TEXAS       §  
                                  §  
COUNTY OF DALLAS   §

BEFORE ME, the undersigned authority, on this day personally appeared \_\_\_\_\_ known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that (he, she) executed the same for the purposes and consideration therein stated.

GIVEN under my hand and seal of office this \_\_\_\_ day of \_\_\_\_\_, 2004.

[SEAL]

\_\_\_\_\_  
Notary Public, State of Texas

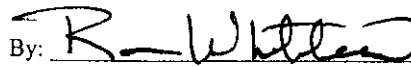


**CONSENT OF LANDLORD**

The Town of Addison, Texas ("Landlord") is the Landlord under the Ground Lease described in the above and foregoing Assignment. In executing this Consent of Landlord, Landlord is relying upon the premises, statements, and representations made in the foregoing Assignment by both Assignor and Assignee, and in reliance upon the same Landlord hereby consents to the foregoing Assignment from Assignor to Assignee, waiving none of its rights under the Ground Lease as to the Assignor or the Assignee.

**LANDLORD:**

**TOWN OF ADDISON, TEXAS**

By: 

Ron Whitehead, City Manager

ASSIGNMENT OF LEASE

THIS AGREEMENT is made this 13<sup>th</sup> day of May, 1993, at Addison, Texas, between Franklin First Savings Bank, successor in interest to Parkway Jet, Inc., hereinafter called "Assignor", and AQUILA LEASING COMPANY, a Texas corporation, hereinafter called "Assignee".

WHEREAS, a lease executed on September 28, 1983, between CITY OF ADDISON and ADDISON AIRPORT OF TEXAS, INC., as the Lessor, and Parkway Jet, Inc. as predecessor of the Assignor as Lessee, by the terms of which certain real property located on the Addison Airport was leased to the Assignor as Lessee upon the terms and conditions provided therein; and

WHEREAS, the Assignor now desires to assign the Lease to Assignee, and the Assignee desires to accept the assignment thereof;

NOW, THEREFORE, for and in consideration of the sum of Ten and No/100 Dollars (\$10.00), receipt of which is hereby acknowledged, and the agreement of the Assignee, hereinafter set forth, the Assignor hereby assigns and transfers to the Assignee, its successors and assigns, all of his right, title and interest in and to the lease hereinbefore described, a copy of which is attached hereto as Exhibit "A", and the Assignee hereby agrees to and does accept the assignment, and in addition expressly assumes and agrees to keep, perform and fulfill all the terms, covenants, conditions and obligations required to be kept, performed and fulfilled by the Assignor as the Lessee thereunder, including the making of all payments due to or payable on behalf of the Lessor under said lease when due and payable.

This agreement shall be binding on and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors in interest, and assigns.

EXECUTED the day and year first above written.

ASSIGNOR:

FRANKLIN FIRST SAVINGS BANK

By: Michael J. Johnson  
Michael J. Johnson  
Senior Vice President

ASSIGNEE:

AQUILA LEASING COMPANY  
By: [Signature]  
PRESIDENT, its

CONSENT OF LESSOR

The undersigned is the Lessor in the lease described in the foregoing Assignment and hereby consents to the assignment of the lease to Assignee, waving none of their rights thereunder as to the Lessee or the Assignee.

LESSOR:

ADDISON AIRPORT OF TEXAS, INC.

[Signature]  
President

ACKNOWLEDGEMENT

THE STATE OF ~~TEXAS~~ Pennsylvania )  
COUNTY OF LUZERNE )

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Michael J. Johnson, SAVOC Vice President of Peapack Fair Lamp Bank, a Corporation, known to me to be person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said corporation.

GIVEN under my hand and seal of office this 11<sup>th</sup> day of May, 1993.

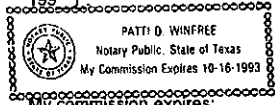
Maryann T. Kwak  
Notary Public - State of Texas

My commission expires: 

THE STATE OF TEXAS )  
COUNTY OF Dallas )

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Morris L. Kubny, President of Aquila's Learning Company, Inc. Corporation, known to me to be person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said corporation.

GIVEN under my hand and seal of office this 12<sup>th</sup> day of May, 1993.

  
PATTI D. WINFREE  
Notary Public, State of Texas  
My Commission Expires 10-16-1993

Patti D. Winfree  
Notary Public - State of Texas

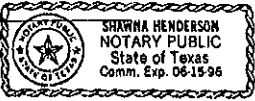
My commission expires: \_\_\_\_\_

THE STATE OF TEXAS )  
COUNTY OF Dallas )

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Sam Stuart, President of Addison Airport of Texas, a Texas Corporation, known to me to be person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said corporation.

GIVEN under my hand and seal of office this 13<sup>th</sup> day of May, 1993.

Sharna Henderson  
Notary Public - State of Texas

My commission expires: 

This Ground Lease (hereinafter referred to as the "Lease") is made and entered into as of September 28, 1983, by and among the City of Addison, Texas, a municipal corporation (hereinafter sometimes referred to as the "City"), Addison Airport of Texas, Inc., a Texas Corporation (hereinafter sometimes referred to as "AATI") and PARKWAY JET, INC. (hereinafter referred to as "Tenant").

WITNESSETH:

WHEREAS, AATI leases that certain real property (hereinafter referred to as the "demised premises") described in attached Exhibit A from the City pursuant to that certain Instrument captioned Agreement for Operation of the Addison Airport (hereinafter referred to as the "Base Lease") between the City and Addison Airport, Inc. (predecessor at AATI); and

WHEREAS, the demised premises are situated at Addison Airport (hereinafter referred to as the "Airport") in Dallas County, Texas, the Airport being delineated in a plat attached hereto as Exhibit B; and

WHEREAS, the City and AATI hereby lease and demise the demised premises to Tenant, and Tenant hereby leases and takes the demised premises from the City and AATI, upon the terms and conditions set forth herein;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

1. **Base Lease:** All of the terms and conditions of the Base Lease are incorporated into this Lease by reference as if written verbatim herein, and Tenant by Tenant's execution hereof acknowledges that AATI has furnished Tenant with a copy of the Base Lease. Tenant agrees to fully comply at all times and in all respects with the terms and conditions of the Base Lease insofar as the same relate to the demised premises and/or the use and operation thereof, except that Tenant shall not be responsible for the payment of any rental due under the Base Lease which shall be paid by AATI.

2. **Definition of Landlord and Effect of Default under the Base Lease:** The term "Landlord" as hereinafter used in this Lease shall mean either AATI or the City. So long as the Base Lease is in effect, AATI shall be entitled to all of the rights, benefits and remedies of the Landlord under this Lease, and shall perform all of the duties, covenants and obligations of the Landlord under this Lease. Upon the expiration or termination of the Base Lease, the City shall be entitled to all of the rights, benefits and remedies of the Landlord under this Lease, and shall perform all of the duties, covenants and obligations of the Landlord under this Lease. The City agrees that (i) until such time as the City notifies Tenant to the contrary in writing, Tenant is fully authorized to make all payments due under this Lease to AATI, and (ii) that default by AATI under the Base Lease shall have no effect on this Lease so long as Tenant pays and performs its duties, covenants and obligations under this Lease.

3. **Term:** The term hereof shall commence on the earlier of September 1, 1984, or the first day of the first calendar month after Tenant completes the construction hereinbelow described and opens for business at the demised premises (the applicable date being hereinafter referred to as the "Commencement Date"), and shall end four hundred eighty (480) months thereafter; provided, however, that any entry upon the demised premises by Tenant prior to the Commencement Date shall be subject to all of the terms and conditions hereof except that rental shall not accrue.

4. **Rental:** Subject to adjustment as hereinbelow provided, Tenant agrees to pay to Landlord, without offset or deduction, rent for the demised premises at the rate of EIGHT HUNDRED SIXTY-ONE AND 46/100 per month in advance. The first of such monthly installment shall be due and payable on or before the Commencement Date, and a like installment shall be due and payable on or before the first day of each calendar month thereafter during the term hereof.

5. **Adjustment of Rental:** Commencing on the second anniversary of the Commencement Date and on every bi-annual anniversary thereafter (hereinafter referred to as the "Adjustment Date"), the monthly rental due under paragraph 4 shall be adjusted as follows:

(i) A comparison shall be made between the Consumers' price Index-All Items for the Dallas, Texas Metropolitan Area (hereinafter referred to as the "Price Index") as it existed on the Commencement Date and as it exists on the first day of the calendar month preceding the then applicable Adjustment Date.

(ii) The monthly rental for the two (2) year period beginning with and following the then applicable Adjustment Date shall be either increased or decreased, as the case may be, by the percentage of increase or decrease in the Price Index between the Commencement Date and the then applicable Adjustment Date, but in no event shall such monthly rental ever be decreased below the monthly rental set forth in paragraph 4.

(iii) In the event that the Price Index is unavailable for whatever reason for the computations set forth hereinabove, another index approximating the Price Index as closely as feasible shall be substituted therefor.

6. **Use of Demised Premises and Construction of Improvements.** The demised premises shall be used and occupied by Tenant only for the following purposes: sale of aircraft and aircraft parts; aircraft maintenance and repair; aircraft storage; aircraft training; aircraft charter; and aircraft rentals; and not otherwise without the prior written consent of Landlord.

In connection with such use and occupancy, Tenant intends to construct upon the demised premises the Improvements depicted in the plans and specifications.

- 1 - Metal hangar 100' x 110' w/20'x100' office with associated aircraft ramps and vehicle parking. Addison Airport must approve construction prints prior to construction. #67

All construction shall be strictly in accordance with such plans and specifications, and such construction shall be performed in a first class, workmanlike manner. Tenant agrees to promptly pay and discharge all costs, expenses, claims for damages, liens and any and all other liabilities and obligations which arise in connection with such construction.

7. **Acceptance of Demised Premises.** Tenant acknowledges that Tenant has fully inspected the demised premises and accepts the demised premises as suitable for the purpose for which the same are leased in their present condition.

8. **Securing Governmental Approvals and Compliance with Law.** Tenant at Tenant's sole cost and expense shall obtain any and all governmental licenses, permits and approvals necessary for the construction of improvements and for the use and occupancy of the demised premises. Tenant shall comply at all times with all governmental laws, ordinances and regulations applicable to the use of the demised premises, and shall promptly comply with all governmental orders and directives for the correction, prevention and abatement of nuisances in or upon, or connected with the demised premises, all at Tenant's sole cost and expense.

9. **Assignment, Subletting and Mortgaging of Leasehold Estate:**

A. Without the prior written consent of Landlord, Tenant may not assign this Lease or any rights of Tenant hereunder (except to a leasehold mortgagee as hereinbelow provided) or sublet the whole or any part of the demised premises. Any assignment or subletting shall be expressly subject to all the terms and provisions of this Lease, including the provisions of paragraph 6 pertaining to the use of the demised premises. In the event of any assignment or subletting, Tenant shall not assign Tenant's rights hereunder or sublet the demised premises without first obtaining a written agreement from each such assignee or sublessee whereby such such assignee or sublessee agrees to be bound by the terms and provisions of this Lease. No such assignment or subletting shall constitute a novation. In the event of the occurrence of an event of default while the demised premises are assigned or sublet, Landlord, in addition to any other remedies provided herein or by law, may at Landlord's option, collect directly from such assignee or subtenant all rents becoming due under such assignment or subletting and apply such rent against any sums due to Landlord hereunder. No direct collection by Landlord from any such assignee or subtenant shall release Tenant from the payment or performance of Tenant's obligations hereunder.

B. Tenant shall have the right to mortgage the leasehold estate of Tenant created hereby in order to secure a mortgage loan for the purpose of obtaining funds for the construction of the improvements described in paragraph 6 or for other construction upon the demised premises approved from time to time by Landlord in writing. In the event that Tenant pursuant to mortgages or deeds of trust mortgages the leasehold estate of Tenant created hereby, the leasehold mortgagee shall in no event become personally liable to perform the obligations of Tenant under this Lease unless and until said mortgagee become the owner of the leasehold estate pursuant to foreclosure, transfer in lieu of foreclosure, or otherwise, and thereafter said leasehold mortgagee shall remain liable for such obligations only so long as such mortgagee remains the owner of the leasehold estate. Notwithstanding the foregoing, it is specifically understood and agreed that no such mortgaging by Tenant and/or any actions taken pursuant to the terms of such mortgage shall ever relieve Tenant of Tenant's obligation to pay the rental due hereunder and otherwise fully perform the terms and conditions of this Lease.

C. All mortgages or deeds of trust created hereby by Tenant mortgaging the leasehold estate of Tenant created hereby shall contain provisions (i) requiring the leasehold mortgagee to give Landlord fifteen (15) days written notice to accelerating the debt of Tenant to such mortgagee and/or initiating foreclosure proceedings under said mortgages or deeds of trust, and (ii) allowing Landlord during such fifteen (15) day notice period to cure Tenant's default and prevent said acceleration and/or foreclosure proceedings, and thereafter at Landlord's option to assume Tenant's position under said mortgages or deeds of trust.

D. Landlord agrees, if and so long as the leasehold estate of Tenant is encumbered by a leasehold mortgage and written notice of such effect has been given to Landlord, to give the holder of such leasehold mortgage at such address or addresses as may be specified in such written notice to Landlord for the giving of notices to the leasehold mortgagee, or as otherwise may be specified by the leasehold mortgagee to Landlord in writing, written notice of any default hereunder by Tenant, simultaneously with the giving of such notice to Tenant, and the holder of any such leasehold mortgage shall have the right, for a period of fifteen (15) days after its receipt of such notice or within any longer period of time specified in such notice, to take such action or to make payment as may be necessary or appropriate to cure any such default so specified, it being the intention of the parties hereto that Landlord shall not exercise Landlord's right to terminate this Lease without first giving any such leasehold mortgagee the notice provided for herein and affording any such leasehold mortgagee the right to cure such default as provided for herein.

E. Landlord further agrees to execute and deliver to any proposed leasehold mortgagee of Tenant a "Non-Disturbance Agreement" wherein Landlord agrees that Landlord will (i) recognize such mortgagee and its successors and assigns after foreclosure, or transfer in lieu of foreclosure, as Tenant hereunder, and (ii) continue to perform all of Landlord's obligations hereunder so long as such mortgagee or its successors and assigns performs all of the obligations of Tenant hereunder. Landlord also agrees to execute and deliver to such proposed leasehold mortgagee any other documents which such proposed leasehold mortgagee may reasonably request concerning the mortgaging by Tenant of the leasehold estate created hereby; provided, however, that Landlord shall never be required to subordinate Landlord's interest in the demised premises to the mortgage of such proposed leasehold mortgagee.

10. **Property Taxes and Assessments:** Tenant shall pay any and all property taxes or assessments levied or assessed on the improvements on the demised premises, the personal property and fixtures on the demised premises, and, if applicable, upon the leasehold estate of Tenant created hereby. Upon the request of Landlord, Tenant shall from time to time furnish to Landlord's "paid receipts" or other written evidence that all such taxes have been paid by Tenant.

#### 11. Maintenance and Repair of Demised Premises:

A. Tenant shall, throughout the term hereof, maintain in good repair and condition all the demised premises and all fixtures, equipment and personal property on the demised premises and keep them free from waste or nuisance and, at the expiration or termination of this Lease, deliver up the demised premises clean and free of trash and in good repair and condition, with all fixtures and equipment situated in the demised premises in working order, reasonable wear and tear excepted.

B. In the event Tenant shall fail to so maintain the demised premises and the fixtures, equipment and personal property situated thereon, Landlord shall have the right (but not the obligation) to cause all repairs or other maintenance to be made and the reasonable costs thereof expended by Landlord plus interest thereon as provided in paragraph 37 shall be paid by Tenant on demand.

12. **Alterations, Additions and Improvement.** After completion of the Improvements described in paragraph 6, Tenant shall not create any openings in the roof or exterior walls, or make any alterations, additions or improvements to the demised premises without the prior written consent of Landlord. Consent for non-structural alterations, additions or improvements shall not be unreasonably withheld by Landlord. Tenant shall have the right to erect or install shelves, bins, machinery, air conditioning or heating equipment and trade fixtures, provided that Tenant complies with all applicable governmental laws, ordinances and regulations.

All alterations, additions and improvements in and to the demised premises shall be performed in a first class, workmanlike manner, and Tenant shall promptly pay and discharge all costs, expenses, claims for damages, liens and any and all other liabilities and obligations which arise in connection therewith.

13. **Insurance.** Tenant shall during the term hereof maintain at Tenant's sole cost and expense insurance relating to the demised premises as follows:

(i) Insurance against loss or damage to improvements by fire, lightning, and other risks from time to time included under standard extended coverage policies, and sprinkler, vandalism and malicious mischief, all in amounts sufficient to prevent Landlord or Tenant from becoming co-insurers of any loss under the applicable policies but in any event in amounts not less than eighty percent (80%) of the full insurable value of the demised premises. The term "full insurable value" as used herein means actual replacement value at the time of such loss. Upon request, such replacement value shall be determined by a qualified appraiser, a copy of whose findings shall be submitted to Landlord, and, therefore, proper adjustment in the limits of insurance coverage shall be effected.

(ii) General public liability insurance against claims for bodily injury, death or property damage occurring on, in or about the demised premises, such insurance to afford protection to Landlord of not less than \$500,000.00 with respect to any one person, \$1,000,000.00 with respect to any one accident and not less than \$200,000.00 with respect to property damage.

(iii) Workmen's compensation insurance covering all persons employed by Tenant in connection with any work done on or about the demised premises with respect to which claims for death or bodily injury could be asserted against Landlord or the demised premises, or in lieu of such workmen's compensation insurance, a program of self-insurance complying with the rules, regulations and requirements of the appropriate state agency of the State of Texas.

(iv) If applicable, boiler and pressure vessel insurance on all steam boilers, parts thereof and appurtenances attached or connected thereto which by reason of their use or existence are capable of bursting, erupting, collapsing, imploding or exploding, in the minimum amount of \$100,000.00 for damage to property resulting from such perils.

(v) Such other insurance on improvements in such amounts and against such other insurable hazard which at the time are commonly obtained in the case of property similar to such improvements.

(vi) Hangar keeper's liability insurance providing for coverage in the following limits: \$200,000.00 per aircraft and \$400,000.00 per occurrence on property damage to aircraft in the care, custody or control of Tenant.

(vii) During any period of construction, a Builder's Risk Completed Value policy with an all risks endorsement.

All such policies of insurance (i) shall be issued by insurance companies acceptable to Landlord, (ii) shall name Landlord as an additional insured or loss payee, as the case may be, and (iii) shall provide for at least ten (10) days written notice to Landlord prior to cancellation or modification. Tenant shall provide Landlord with duplicate originals of all insurance policies required by this paragraph.

#### 14. Casualty Damage or Destruction:

A. In case of any damage to or destruction of the buildings, structures and equipment on the demised premises, or any part thereof, Tenant will promptly give written notice thereof to Landlord, generally describing the nature and extent of such damage and/or destruction.

B. In case of any damage to or destruction of the buildings, structures and equipment on the demised premises, or any part thereof, Tenant, whether or not the insurance proceeds, if any, payable on account of such damage and/or destruction shall be sufficient for such purpose, at Tenant's sole cost, risk and expense will promptly commence and complete the restoration, repair and replacement of said buildings, structures and equipment as nearly as possible to their value, condition and character immediately prior to such damage and/or destruction, with such alterations in and additions thereto as may be approved in writing by Landlord (hereinafter sometimes referred to as the "Restoration").

C. All insurance proceeds, if any, payable on account of such damage to or destruction of the buildings, structures and equipment on the demised premises shall be held by Landlord. Landlord shall be protected in acting upon any certificate believed by Landlord to be genuine and to have been executed by the proper party and shall receive such certificate as conclusive evidence of any fact or as to any matter therein set forth. Such certificate shall be full warranty, authority and protection to Landlord in acting thereon, and Landlord shall be under no duty to take any action other than as set forth in this paragraph 14.

D. Insurance proceeds received by Landlord on account of any damage to or destruction of the buildings, structures and equipment on the demised premises, or any part thereof (less the costs, fees and expenses incurred by Landlord and Tenant in the collection thereof, including, without limitation, adjuster's and attorney's fees and expenses) shall be applied as follows:

(i) Net Insurance proceeds as above defined shall be paid to Tenant or as Tenant may direct from time to time as Restoration progresses to pay (or reimburse Tenant for) the cost of Restoration, upon written request of Tenant to Landlord accompanied by (a) certificate of a supervising architect or engineer approved by Landlord, describing in reasonable detail the work and material in question and the cost thereof, stating that the same were necessary or appropriate to the Restoration and constitute a complete part thereof, and that no part of the cost thereof has theretofore been reimbursed, and specifying the additional amount, if any, necessary to complete the Restoration, and (b) an opinion of counsel satisfactory to Landlord that there exist no mechanics', materialmen's or similar liens for labor or materials except such, if any, as are discharged by the payment of the amount requested.

(ii) Upon receipt by Landlord of evidence of the character required by the foregoing clauses (i)(a) and (b) that Restoration has been completed and the cost thereof paid in full, and that there are no mechanics', materialmen's or similar liens for labor or materials supplied in connection therewith, the balance, if any, of such proceeds shall be paid to Tenant or as Tenant may direct.

E. In the event that Tenant does not promptly commence Restoration, or after commencement Tenant does not diligently proceed to the completion of same, Landlord shall have the right to commence or complete Restoration after Landlord has given Tenant thirty (30) days prior written notice requesting the commencement of Restoration or that Tenant diligently proceeds to the completion of same if Tenant during such thirty (30) day period does not so commence or proceed to diligently complete Restoration. In such event, Landlord shall retain the insurance proceeds, and Tenant shall pay any deficiency if such proceeds are not sufficient for Restoration.

**15. Condemnation:**

A. If during the term hereof, any part of the demised premises shall be acquired or condemned by eminent domain for any public or quasi-public use or purpose, or are sold to a condemning authority under threat of condemnation, and after such taking by or sale to said condemning authority the remainder of the demised premises is not susceptible to efficient and economic occupation and operation by Tenant, this Lease shall automatically terminate as of the date that said condemning authority takes possession of the demised premises, and Landlord shall refund to Tenant any prepaid but unaccrued rental less any sum then owing by Tenant to Landlord.

B. If after such taking by or sale to said condemning authority the remainder of the demised premises is susceptible to efficient and economic occupation and operation by Tenant, this Lease shall not terminate but the rental due hereunder shall be adjusted so that Tenant shall be required to pay for the remainder of the term hereof the sum obtained by multiplying each monthly rental installment due hereunder, as adjusted from time to time pursuant to paragraph 5, by a fraction, the numerator of which shall be the number of square feet remaining in the demised premises after the taking by or sale to said condemning authority and denominator of which shall be the square footage originally contained in the demised premises. The rental adjustment called for herein shall not commence until said condemning authority actually takes possession of the condemned portion of the demised premises.

C. If this Lease is not terminated pursuant to Section A, Tenant shall promptly restore the improvements on the demised premises, and the condemnation proceeds to which Landlord and Tenant are entitled shall be awarded and paid first to cover the costs and expenses for restoring the remaining portion of the demised premises to a condition susceptible to efficient and economic occupation and operation by Tenant, and any remaining proceeds to which Landlord and Tenant are entitled shall be awarded and paid to Landlord and Tenant, as their interest may appear. If this Lease is terminated pursuant to Section A, condemnation proceeds to which Landlord and Tenant are entitled shall be awarded and paid to Landlord and Tenant as their interests may appear.

16. **Utilities.** Tenant shall be responsible at Tenant's sole cost and expense for obtaining all utility connections at or for the demised premises and Tenant shall pay all charges for water, electricity, gas, sewer, telephone or any other utility connections, tap-in fees and services furnished to the demised premises during the term hereof. Landlord shall in no event be liable or responsible for any cessation or interruption in any such utility services.

17. **Common Facilities.** Tenant and Tenant's employees, agents, servants, customers and other invitees shall have the non-exclusive right to use all common facilities, improvements, equipment and services which may now exist or which may hereafter be provided by Landlord for the accommodation and convenience of Landlord's customers and tenants, including landing and takeoff facilities, means of ingress and egress to the demised premises, other airport installations, and all other reasonable services which may be provided without charge from time to time by Landlord in operating the Airport. All such common facilities shall at all times be under the exclusive control and management of Landlord and may be rearranged, modified, changed or terminated from time to time at Landlord's sole discretion.

18. **Rules and Regulations.** Landlord has adopted Rules and Regulations (hereinafter referred to as the "Rules and Regulations") which shall govern Tenant in the use of the demised premises and all common facilities, a copy of which has been furnished to Tenant. The Rules and Regulations are incorporated by reference as if written verbatim herein, and Tenant agrees to comply fully at all times with the Rules and Regulations. Landlord shall have the right to amend, notify and alter the Rules and Regulations from time to time in a reasonable manner for the purpose of assuring the safety, welfare and convenience of Landlord, Tenant and all other Tenants and customers of the Airport.

19. **Signs and Equipment.** After first securing Landlord's approval which will not be unreasonably withheld, Tenant shall have the right from time to time to install and operate advertising signs and radio, communications, meteorological, aerial navigation and other equipment and facilities in or on the demised premises that may be reasonably necessary for the operation of Tenant's business.

20. **Landlord's Right of Entry.** Landlord and Landlord's authorized representatives shall have the right, during the normal business hours, to enter the demised premises (i) to inspect the general condition and state of repair thereof, (ii) to make repairs permitted under this Lease, (iii) to show the demised premises to any prospective tenant or purchaser or (iv) for any other reasonable and lawful purpose.

During the final one hundred eighty (180) days of the term hereof, Landlord and Landlord's authorized representatives shall have the right to erect and maintain on or about the demised premises customary signs advertising the demised premises for lease or for sale.

**21. Indemnity and Exculpation:**

A. Landlord shall not be liable to Tenant or to Tenant's employees, agents, servants, customers, invitees, or to any other person whomsoever, for any injury to persons or damage to property on or about the demised premises or any adjacent area owned by Landlord caused by the negligence or misconduct of Tenant, Tenant's employees, servants, customers, invitees, subtenants, licensees or concessionaires or any other person entering the demised premises under express or implied invitation of Tenant, or arising out of the use of the demised premises by Tenant and the conduct of Tenant's business thereon, or arising out of any breach or default by Tenant in the performance of Tenant's obligations hereunder; and Tenant hereby agrees to indemnify Landlord and hold Landlord harmless from any loss, expense or claims arising out of such damage or injury.

B. Landlord and Landlord's agents and employees shall not be liable to Tenant for any injury to persons or damage to property resulting from the demised premises becoming out of repair or by defect in or failure of equipment, pipes, or wiring, or broken glass, or by the backing up of drains, or by gas, water, steam, electricity or oil leaking, escaping or flowing into the demised premises, regardless of the source, or dampness or by fire, explosion, falling plaster or ceiling or for any other reason whatsoever. Landlord shall not be liable to Tenant for any loss or damage that may be occasioned by or through the acts or omissions of other tenants of Landlord or caused by operations in construction of any private, public or quasi-public work, or of any other persons whomsoever, excepting only duly authorized agents and employees of Landlord.

**22. Default by Tenant.** The following events shall be deemed to be events of default by Tenant under this Lease:

A. Failure of Tenant to pay any installment of rent or any other sum payable to Landlord hereunder on the date that same is due and such failure shall continue for a period of ten (10) days.

B. Failure of Tenant to comply with any term, condition or covenant of this Lease, other than the payment of rent or other sum of money, and such failure shall not be cured within thirty (30) days after written notice thereof to Tenant.

C. Insolvency, the making of a transfer in fraud of creditors, or the making of an assignment for the benefit of creditors by Tenant or any guarantor of Tenant's obligations.

D. Filing of a petition under any section or chapter of the National Bankruptcy Act, as amended, or under any similar law or statute of the United States or any State thereof by Tenant or any guarantor of Tenant's obligations, or adjudication as a bankrupt or insolvent in proceedings filed against Tenant or such guarantor.

E. Appointment of a receiver or trustee for all or substantially all of the assets of Tenant or any guarantor of Tenant's obligations.

F. Abandonment by Tenant of any substantial portion of the demised premises or cessation of use of the demised premises for the purpose leased.

23. **Remedies of Landlord.** Upon the occurrence of any of the events of default listed in paragraph 22, Landlord shall have the option to pursue any one or more of the following remedies without the notice or demand whatsoever:

A. Terminate this Lease, in which event Tenant shall immediately surrender the demised premises to Landlord. If Tenant fails to so surrender the demised premises, Landlord may, without prejudice to any other remedy which Landlord may have for possession of the demised premises or arrearages in rent, enter upon and take possession of the demised premises and expel or remove Tenant and any other person who may be occupying the demised premises or any part thereof, without being liable for prosecution or any claim for damages therefor. Tenant shall pay to Landlord on demand the amount of all loss and damages which Landlord may suffer by reason of such termination, whether through inability to relet the demised premises on satisfactory terms or otherwise.

B. Terminate this Lease, in which event Tenant shall immediately surrender the demised premises to Landlord. If Tenant fails to so surrender the demised premises, Landlord may, without prejudice to any other remedy which Landlord may have for possession of the demised premises or arrearages in rent, enter upon and take possession of the demised premises and expel or remove Tenant and any other person who may be occupying the demised premises or any part thereof, without being liable for prosecution or any claim for damages therefor. Tenant shall pay to Landlord on the date of such termination damages in any amount equal to the excess, if any, of the total amount of all monthly rental and other amounts to be paid by Tenant to Landlord hereunder for the period which would otherwise have constituted the unexpired portion of the term of this Lease over the then fair market rental value of the demised premises for such unexpired portion of the term of this Lease.

C. Enter upon and take possession of the demised premises without terminating this Lease and without being liable for prosecution or for any claim for damages therefor, and expel or remove Tenant and any other person who may be occupying the demised premises or any part thereof. Landlord may relet the demised premises and receive the rent therefor. Tenant agrees to pay to Landlord monthly or on

and from time to time any deficiency that may arise by reason of any such existing in determining the amount of such deficiency, brokerage commissions, attorneys' fees, remodeling expenses and other costs of relief shall be subtracted from the amount of rent received under such retelling.

D. Enter upon the demised premises without terminating this Lease and without being liable for prosecution or for any claim for damages therefor, and do whatever Tenant is obligated to do under the terms of this Lease. Tenant agrees to pay Landlord on demand for expenses which Landlord may incur in thus effecting compliance with Tenant's obligations under this Lease, together with interest thereon at the rate of ten percent (10%) per annum from the date expended until paid. Landlord shall not be liable for any damages resulting to Tenant from such action, whether caused by negligence of Landlord or otherwise.

Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any rent due to Landlord hereunder or of any damages accruing to Landlord by reason of the violation of any of the terms, conditions and covenants herein contained.

24. **Default by Landlord.** No default by Landlord hereunder shall constitute an eviction or disturbance of Tenant's use and possession of the demised premises or render Landlord liable for damages or entitle Tenant to be relieved from any of Tenant's obligations hereunder (including the obligation to pay rent) or grant Tenant any right of deduction, abatement, set-off or recoupment or entitle Tenant to take any action whatsoever with regard to the demised premises or Landlord until thirty (30) days after Tenant has given Landlord written notice specifically setting forth such default by Landlord, and Landlord has failed to cure such default within said thirty (30) day period, or in the event such default cannot be cured within said thirty (30) day period then within an additional reasonable period of time so long as Landlord has commenced curative action within said thirty (30) day period and thereafter is diligently attempting to cure such default. In the event that Landlord fails to cure such default within said thirty (30) day period, or within said additional reasonable period of time, Tenant shall have the right to:

(i) Proceed to cure such default and deduct the cost of curing same plus interest thereon at the rate of ten percent (10%) per annum from the next succeeding rental installment(s) due by Tenant to Landlord hereunder; or

(ii) Proceed to cure such default and bring suit against Landlord for the cost of curing same plus interest thereon at the rate of ten percent (10%) per annum.

If any mortgagee of Landlord has given Tenant its address for notices and specifically requests such notice, Tenant agrees to give the notice required hereinabove to such mortgagee at the time Tenant gives same to Landlord, and to accept curative action, if any, undertaken by such mortgagee as if such curative action had been taken by Landlord.

25. **Waiver of Subrogation.** Each party hereto waives any and every claim which arises or may arise in such party's favor against the other party hereto during the term of this Lease for any and all loss of, or damage to, any of such party's property located within or upon, or constituting a part of, the demised premises, which loss or damage is covered by valid and collectible fire and extended coverage insurance policies, to the extent that such loss or damage is recoverable under such insurance policies. Such mutual waivers shall be in addition to, and not in limitation or derogation of, any other waiver or release contained in this Lease with respect to any loss of, or damage to, property of the parties hereto. Inasmuch as such mutual waivers will preclude the assignment of any aforesaid claim by way of subrogation or otherwise to an insurance company (or any other person), each party hereby agrees immediately to give to each insurance company which has issued to such party policies of fire and extended coverage insurance, written notice of the terms of such mutual waivers, and to cause such insurance policies to be properly endorsed, if necessary, to prevent the invalidation of such insurance coverages by reason of such waivers.

26. **Title to Improvements.** Any and all improvements on the demised premises shall become the property of Landlord upon the expiration or termination of this Lease; provided, however: (i) if Tenant is not then in default hereunder, Tenant shall have the right to remove all personal property and trade fixtures owned by Tenant from the demised premises, but Tenant shall be required to repair any damage to the demised premises caused by such removal in a good and workmanlike manner and at Tenant's sole cost and expense; and (ii) Landlord may elect to require Tenant to remove all improvements from the demised premises and restore the demised premises to the condition in which the same existed on the date hereof, in which event Tenant shall promptly perform such removal and restoration in a good and workmanlike manner and at Tenant's sole cost and expense.

27. **Mechanics' and Materialmen's Liens.** Tenant agrees to indemnify and hold Landlord harmless of and from all liability arising out of the filing of any mechanics' or materialmen's liens against the demised premises by reason of any act or omission of Tenant or anyone claiming under Tenant, and Landlord, at Landlord's option, may satisfy such liens and collect the amount expended from Tenant together with interest thereon as provided in paragraph 37 as additional rent; provided, however, that Landlord shall not so satisfy such liens until fifteen (15) days after written notification to Tenant of Landlord's intention to do so and Tenant's failure during such fifteen (15) day period to bond such liens or escrow funds with appropriate parties to protect Landlord's interest in the demised premises.

28. **Title.** Tenant accepts the demised premises subject to: (i) the Base Lease; (ii) the Rules and Regulations; (iii) easements and rights-of-way and (iv) zoning ordinances and other ordinances, laws, statutes or regulations now in effect or hereafter promulgated by any governmental authority having jurisdiction over the demised premises.

29. **Quiet Enjoyment and Subordination.** Landlord covenants, represents and warrants that Landlord has full right and power to execute and perform this Lease and to grant the estate demised herein, and that Tenant, upon payment of the rents herein reserved, and performance of the terms, conditions, covenants and agreements herein contained, shall peaceably and quietly have, hold and enjoy the demised premises during the full term of this Lease; provided, however, that Tenant accepts this Lease subject and subordinate to any recorded mortgage, deed of trust or other lien presently existing upon the demised premises. Landlord further hereby irrevocably vested with full power and authority by Tenant to subordinate Tenant's interest hereunder to any mortgage, deed of trust or other lien now existing or hereafter placed on the demised premises or to declare this Lease prior and superior to any mortgage, deed of trust or other lien now existing or hereafter placed on the demised premises; provided, however, any such subordination shall be upon the express conditions that (i) this Lease shall be recognized by the mortgagee and that all of the rights of Tenant shall remain in full force and effect during the full term of this Lease on condition that Tenant attorn to the mortgagee, its successors and assigns, and perform all of the covenants and conditions required by the terms of this lease, and (ii) in the event of foreclosure or any enforcement of any such mortgage, the rights of Tenant hereunder shall expressly survive and this Lease shall in all respects continue in full force and effect so long as Tenant shall fully perform all Tenant's obligations hereunder and attorn to the purchaser. Tenant also agrees upon demand to execute further instruments declaring this Lease prior and superior to any mortgage, deed of trust or other lien and specifically providing that this Lease shall survive the foreclosure of such mortgage, deed of trust or other lien.

30. **Tenant on Net Return Basis.** Except for the rental due under the Base Lease during the time that AATI is the Landlord hereunder, it is intended that the rent provided for in this Lease shall be an absolutely net return to Landlord for the term of this Lease, free of any loss, expenses or charges with respect to the demised premises, including, without limitation, maintenance, repairs, replacement, insurance, taxes and assessments, and this Lease shall be construed in accordance with and to effectuate such intention.

31. **Holding Over.** Should Tenant, or any of Tenant's successors in interest fail to surrender the demised premises, or any part thereof, on the expiration of the term of this Lease, such holding over shall constitute a tenancy from month to month only terminable at any time by either Landlord or Tenant after thirty (30) days prior written notice to the other, at a monthly rental equal to two hundred percent (200%) of the rent paid for the last month of the term of this Lease.

32. **Waiver of Default.** No waiver by the parties hereto of any default or breach of any term, condition or covenant of this Lease shall be deemed to be a waiver of any subsequent default or breach of the same or any other term, condition or covenant contained herein.

33. **Release of Landlord Upon Transfer.** All of Landlord's personal liability for the performance of the terms and provisions of this Lease (except for any liability accruing prior to such transfer) shall terminate upon a transfer of the demised premises by Landlord, provided that the obligations of Landlord under this Lease are covenants running with the land and shall be binding upon the transferee of Landlord's interest in this Lease and the demised premises.

34. **Attorneys' Fees.** If, on account of any breach or default by Landlord or Tenant of their respective obligations under this Lease, it shall become necessary for the other to employ an attorney to enforce or defend any of such party's rights or remedies hereunder, and should such party prevail, such party shall be entitled to collect reasonable attorneys' fees incurred in such connection from the other party.

35. **Financial Information.** Tenant agrees that Tenant will from time to time upon the written request of Landlord during the term of this Lease furnish to Landlord such credit and banking references as Landlord may reasonably request.

36. **Estoppel Certificates.** Tenant agrees that from time to time, upon not less than ten (10) days' prior written request by Landlord, Tenant will deliver to Landlord a statement in writing certifying that:

A. This Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease as modified is in full force and effect and stating the modifications).

B. The dates to which rent and other charges have been paid.

C. Landlord is not in default under any term or provision of this Lease or if in default the nature thereof in detail in accordance with an exhibit attached thereto.

D. If requested by Landlord, Tenant will not pay rent for more than one (1) month in advance and that this Lease will not be amended without notice to Landlord's mortgagee and that the same will not be terminated without the same notice required by the Lease to be

furnished to Landlord also being furnished to Landlord's mortgagee and Landlord's mortgagee fails to cure such default within the curative period allowed Landlord under this lease.

Landlord agrees that from time to time, upon not less than ten (10) days' prior written request by Tenant, Landlord will deliver to Tenant a statement in writing certifying that:

A. This Lease is unmodified and in full force and effect (or if there have been modifications, that the Lease as modified is in full force and effect and stating the modifications).

B. The dates to which rent and other charges have been paid.

C. Tenant is not in default under any term or provision of this Lease or is in default the nature thereof in detail in accordance with an exhibit attached thereto.

37. Interest on Tenant's Obligations and Manner of Payment. All monetary obligations of Tenant to Landlord under this Lease remaining unpaid ten (10) days after the due date of the same (if no due date has been established under other provisions hereof, the "due date" shall be the date upon which Landlord demands payment from Tenant in writing) shall bear interest at the rate of ten percent (10%) per annum from and after said tenth (10th) day until paid. If more than twice during the term of the Lease Tenant's personal or corporate check is not paid by the bank on which it is drawn for whatever reason, Landlord may require by giving written notice to Tenant that the payment of all future monetary obligations of Tenant under this Lease are to be made on or before the due date by cash, cashier's check, certified check or money order, and the delivery of Tenant's personal or corporate check will no longer constitute payment of such monetary obligations. Any acceptance by Landlord of a personal or corporate check after such notice shall not be deemed or construed as a waiver or estoppel of Landlord to require other payments as required by said notice.

38. Independent Contractor. It is understood and agreed that in leasing and operating the demised premises, Tenant is acting as an independent contractor and is not acting as agent, partner, joint venturer or employee of Landlord.

39. Force Majeure. In the event performance by Landlord of any term, condition or covenant in this Lease is delayed or prevented by any Act of God, strike, lockout, shortage of material or labor, restriction by any governmental authority, civil riot, flood, or any other cause not within the control of Landlord, the period for performance of such term, condition or covenant shall be extended for a period equal to the period Landlord is so delayed or hindered.

40. Exhibits. All exhibits, attachments, annexed instruments and addenda referred to herein shall be considered a part hereof for all purposes with the same force and effect as if copied verbatim herein.

41. Use of Language. Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular shall be held to include the plural, unless the context otherwise requires.

42. Captions. The captions or headings or paragraphs in this Lease are inserted for convenience only, and shall not be considered in construing the provisions hereof if any question of intent should arise.

43. Successors. The terms, conditions and covenants contained in this Lease shall apply to, inure to the benefit of, and be binding upon the parties hereto and their respective successors in interest and legal representatives except as otherwise herein expressly provided. All rights, powers, privileges, immunities and duties of Landlord under this Lease, including, but not limited to, any notices required or permitted to be delivered by Landlord to Tenant hereunder, may, at Landlord's option, be exercised or performed by Landlord's agent or attorney.

44. Severability. If any provision in this Lease should be held to be invalid or unenforceable, the validity and enforceability of the remaining provisions of this Lease shall not be affected thereby.

45. Notices. Any notice or document required or permitted to be delivered hereunder may be delivered in person or shall be deemed to be delivered, whether actually received or not, when deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested, addressed to the parties at the addresses indicated below, or at such other addresses as may have theretofore been specified by written notice delivered in accordance herewith.

LANDLORD:

TENANT:

Addison Airport of Texas, Inc.  
P. O. Box 34067  
Dallas, Texas 75234

City of Addison, Texas

P. O. Box 144

Addison, Texas 75001

PARKWAY JET, INC.  
5485-Beltline Rd., Suite 300  
Dallas, Texas 75240  
392-3722

46. Fees or Commissions. Each party hereto hereby covenants and agrees with the other that such party shall be solely responsible for the payment of any brokers', agents' or finders' fees or commissions agreed to by such party arising from the execution of this Lease or the performance of the terms and provisions contained herein, and such party agrees to indemnify and hold the other party harmless from the payment of any such fees or commissions.

47. Counterparts. This Lease may be executed in multiple counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

48. Governing Law and Venue. This Lease and all of the transactions contemplated herein shall be governed by and construed in accordance with the laws of the State of Texas, and Landlord and Tenant both irrevocably agree that venue for any dispute concerning this Lease or any of the transactions contemplated herein shall be in any court of competent jurisdiction in Dallas County, Texas.

49. Entire Agreement and Amendments. This Lease, consisting of forty-nine (49) paragraphs and Exhibits A through B attached hereto, embodies the entire agreement between Landlord and Tenant and supersedes all prior agreements and understandings, whether written or oral, and all contemporaneous oral agreements and understandings relating to the subject matter hereof. Except as otherwise specifically provided herein, no agreement hereafter made shall be effective to change, modify, discharge or effect an abandonment of this Lease, in whole or in part, unless such agreement is in writing and signed by or in behalf of the party against whom enforcement of this change, modification, discharge or abandonment is sought.

EXECUTED as of the day month and year first above written.

LANDLORD:

ADDISON AIRPORT OF TEXAS, INC.

By: *Patrick Love*

Its: *Vice President*

CITY OF ADDISON, TEXAS

By: *Berry H. Light*

Its: *Mayor Pro-Tem*

TENANT:

By: *Way B. Hancock, Pres.*

Its: *Secretary*

c



STATE OF TEXAS  
COUNTY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally appeared Robert L. Coore  
known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same  
for the purposes and considerations therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 1st day of November, 19 83

Dorothy L. James  
Notary Public  
Dallas  
County, Texas

STATE OF TEXAS  
COUNTY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally appeared Bruce Adelman  
known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same  
for the purpose and considerations therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 2nd day of Dec., 19 83

Jacque Sharp  
Notary Public  
Dallas  
County, Texas



STATE OF TEXAS  
COUNTY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally appeared Roy B. Blanchard & Todd Cippic  
known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same  
for the purposes and considerations therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 1 day of November, 19 83

Dorothy L. James  
Notary Public  
Dallas  
County, Texas

EASEMENT AGREEMENT

This easement agreement by PARKWAY JET, INC.,  
a Texas corporation \_\_\_\_\_, (Grantor) witnesseth

Whereas, the City of Addison ("City") is the owner of a certain tract of real property in Dallas County, Texas, more particularly described in the attached Exhibit "A" and incorporated into this agreement for all purposes, and

Whereas, Grantor is the leasehold owner of a certain tract of real property located in Dallas County, Texas more particularly described in the attached Exhibit "B", which is incorporated into this agreement for all purposes ("Tract B"); and

Whereas Addison Airport of Texas, Inc. (AATI) leases the real property described in Exhibit "A" pursuant to an agreement titled "Agreement for Operations of the Addison Airport" (the "Base Lease"); and

Whereas, Grantor agrees that proper movement of aircraft, along with vehicle, equipment, and pedestrian traffic related to airport operations, is desirable and in the best interest of the City, AATI, and Grantor; and

Whereas, Grantor, in the interest of proper airport operation, wishes to create a common ramp upon a tract of land within the leasehold owned by it, more particularly described in the attached Exhibit "C" which is incorporated into this agreement for all purposes (referred to hereafter as "Ramp C");

NOW, THEREFORE, Grantor hereby agrees as follows:

ARTICLE I

Grant of Easements and Rights

Grantor, for itself and its successors and assigns, does hereby grant, sell, convey and deliver to the City and to AATI, their successors and assigns, a non-exclusive, perpetual and permanent right-of-way easement, for the purpose of aircraft, vehicular and pedestrian access over and across the Ramp C area and permanent rights of entry upon the Ramp Carea for the purpose of maintaining and repairing the Improvements (hereinafter defined).

ARTICLE II

Improvements

Grantor hereby covenants and agrees to cause to be constructed, at its own expense, surface improvements on the Ramp C area, sufficient to provide a completely operable ramp meeting all standards for ramp construction configuration, and finish imposed by the City and AATI for ramp construction intended for similar use.

ARTICLE III

Maintenance of Improvements

3.01. Grantor hereby covenants and agrees to maintain and repair the ramp improvements located on the Ramp C area at its own expense. Such maintenance and repair shall include, but not be limited to, cleaning, sweeping, ice and snow removal, repair of paving and lighting, restriping of paving, and such other necessary maintenance and repairs, including the necessary safety measures, to the extent necessary to maintain the Improvements on the Ramp C area in a condition substantially equivalent to their condition and usefulness when newly constructed

2.02. Grantor's covenant to improve, repair and maintain the Improvements on the Ramp C Area shall be a covenant running with Tract B and shall be for the benefit of the City and AATI.

ARTICLE IV

Miscellaneous

4.01. Grantor agrees that no aircraft, vehicle or other equipment will be left unattended on the Ramp area, thereby hindering access to and from the Taxiway, other than during periods of normal loading, unloading or refueling.

4.02 Grantor agrees that if it or any future owner of the Ramp C area shall be in default of any of the easements, covenants, agreements, terms or restrictions contained herein, then the City or AATI shall have the right, but shall not be obligated, to cure such default, provided it is a curable default under this Agreement, and provided that such defaulting owner (hereinafter referred to as the "Defaulting Owner"), and any mortgagee having an interest in the Area upon which the default has occurred are notified in writing of such intended cure in the manner provided hereinafter at least ten (10) days prior to the date of effecting any curative action. All expenses and cost incurred by the City or AATI effecting such cure, together with reasonable attorneys' fees and costs for collecting such costs and interest thereon, shall be a demand obligation owing by the Defaulting Owner to the party effecting such cure and such demand obligation shall bear interest at the lesser of eighteen per cent (18%) per annum or the maximum rate then permitted under applicable law. The City, AATI or any mortgagee electing to effect such cure, its directors, officers, employees, agents, servants and workmen shall have the right of entry and ingress and egress upon that portion of the Area upon which such default occurred as is necessary for effecting any such cure. The Defaulting Owner hereby agrees to indemnify and hold harmless any such party so entering upon such Area from all claims, demands, liabilities and judgments arising from any such entry for the purpose of effecting any such cure. Additionally, the City, AATI or mortgagee effecting such cure, in the event that breach of such covenant, agreement or term is not subject to cure as provided herein, shall have the right to institute suit and obtain protective or mandatory injunction to prevent a continuing breach of or to enforce the continued observance by such Defaulting Owner of the covenants, agreements, terms, conditions and restrictions contained herein, and the City or AATI (but not such mortgagee) shall have the right to ordinary damages against such Defaulting Owner occasioned by any such continuing default under this Agreement.

4.03. Grantor covenants and agrees that the servitudes, easements, rights, rights-of-way, privileges, agreements, covenants and restrictions and all other terms hereof shall be binding upon their respective successors and assigns, and all other persons of entities having or hereafter acquiring any right, title or interest in Tract B, and all other persons and entities claiming by, through or under said owners and their respective successors and assigns. In the event any owner or future owner of all or any part of Tract B shall convey either all or any portion of such Tract, such owner so conveying shall automatically be freed and relieved, from and after the date of recording of such conveyance, of all liability for future performance of any covenants, agreements or obligations on the part of such owner which

are required by this Agreement to thereafter be performed with respect to any such Tract or the portion of any such Tract so conveyed, except as herein otherwise specified. It is intended hereby that the agreements and obligations contained in this Agreement shall be binding on such owner only as to that owner's period of ownership or subsequent periods of ownership, though such conveying owner shall remain liable after the date of recording of such conveyance for any obligations arising or incurred prior to such date of recording during such conveying owner's period of ownership.

4.09. A default under this Easement shall constitute and be deemed an event of default under Grantor's Ground Lease covering Tract A.

4.10. When the context in which words are used in this Agreement indicates that such is the intent, words in the singular number shall include the plural and vice versa, and the words in masculine gender shall include the feminine and neuter genders and vice versa.

4.11. Every provision in this Agreement is intended to be severable. In the event that any provision of this Agreement shall be held to be invalid, the same shall not affect in any respect whatsoever the validity of the remaining provisions of this Agreement.

IN WITNESS WHEREOF, Grantor has executed this Agreement as of the date hereinabove set forth.

By   
Ray Blanchard

By   
Todd Coppic

THE STATE OF TEXAS        X  
COUNTY OF DALLAS        X

BEFORE ME, the undersigned authority, a Notary Public in and for said State, on this day personally appeared Roy Blanchard, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said Parkway Jet, Inc., and that he executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 1st day of November, 1983.

Dorothy L. James  
Notary Public, State of Texas

Dorothy L. JAMES  
(Print Name)

My Commission Expires  
8-13-84

THE STATE OF TEXAS        X  
COUNTY OF DALLAS        X

BEFORE ME, the undersigned authority, a Notary Public in and for said State, on this day personally appeared Todd Coppe, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said Parkway Jet, Inc., and that he executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 1st day of November, 1983.

Dorothy L. James  
Notary Public, State of Texas

Dorothy L. JAMES  
(Print Name)

My Commission Expires  
8-13-84

EXHIBIT C  
DESCRIPTION

BEING a tract of land situated in the William Lomax Survey, Abstract No. 792, Dallas County, Texas, also being located on Addison Municipal Airport, Addison, Texas, and being more particularly described as follows:

COMMENCING at the intersection of the South right-of-way line of Westgrove Road and the West right-of-way line of Addison Road;

THENCE, West along the South right-of-way line of Westgrove Road a distance of 759.59 ft. to a point in the West right-of-way of Claire Chennault (60-ft. ROW);

THENCE, S 0°07'20" E, along the said West right-of-way a distance of 261.58 ft. to a point on a curve to the right; said curve having a central angle of 43°37'02", a radius of 70.0 ft., a chord bearing S 21°41'11" E, 52.01 ft. and an arc length of 53.28 ft.;

THENCE, S 43°29'42" W, along the right-of-way of Claire Chennault a distance of 480.50 ft. to a Point;

THENCE, N 46°50'17" W, a distance of 191.95 ft. to a point;

THENCE, N 43°22'26" E, a distance of 180.00 ft. to a point;

THENCE, N 46°37'34" W, a distance of 40.00 ft. to a Point of Beginning;

THENCE, N 43°22'26" E, a distance of 149.79 ft. to a point;

THENCE, S 89°55'19" W, a distance of 248.02 ft. to a point;

THENCE, S 46°37'34" E, a distance of 180.04 ft. to a point;

THENCE, N 43°22'20" E, a distance of 20.78 ft. to the Point of Beginning, containing 0.352 acres of land more or less

SUBSTITUTE TRUSTEE'S DEED  
(WITH AFFIDAVITS ATTACHED)

	A	2200	2	13.00 DEED 1 05/10/91
THE STATE OF TEXAS	\$			
	\$			
COUNTY OF DALLAS	\$			

WHEREAS, by a certain deed of trust dated April 17, 1985, recorded in Volume 85078, Page 4838, Deed of Trust Records, Dallas County, Texas (the "Deed of Trust"), PARKWAY JET, INC., as Grantor, conveyed to Ward Williford, Trustee, certain property described in Exhibit "A" attached hereto and made a part hereof for all purposes (the "Property"), for the purpose of securing and enforcing payment of a certain note, more particularly described in said Deed of Trust of even date therewith, in the original principal sum of \$1,025,000.00 (the "Note"); and

WHEREAS, said Note and Deed of Trust were assigned to Franklin First Federal Savings and Loan Association (now known as Franklin First Federal Savings Bank) by Assignment of Lien dated April 17, 1985, recorded in Volume 85079, Page 3798, Deed Records, Dallas County, Texas; and

WHEREAS, said Note and Deed of Trust were modified by Modification Agreement dated December 18, 1989, recorded in Volume 90011, Page 1952, Deed Records, Dallas County, Texas; and

WHEREAS, FRANKLIN FIRST FEDERAL SAVINGS BANK, the holder of the Note and Deed of Trust, as authorized by and provided in the Deed of Trust, appointed the undersigned to serve as substitute trustee and to enforce the Deed of Trust, the said Parkway Jet, inc. having made default in the payment of the Note when due, and

there being due thereon the principal sum of \$991,396.20 plus interest and attorney's fees as provided in the Note; and

WHEREAS, I, as substitute trustee, did, on May 7, 1991, after having posted and recorded written notice of the time, place and terms of a public sale of the Property, which written notice was posted at the courthouse door of Dallas County, Texas, the county in which the Property is situated, and which said notice was posted for at least twenty-one (21) days preceding the date of sale, sell the Property at public vendue, at the south side of the Government Center (same being the place designated by the County Commissioners) of Dallas County, Texas, to FRANKLIN FIRST FEDERAL SAVINGS BANK being the highest bidder, for the sum of \$710,000.00; and

WHEREAS, from the affidavit attached hereto and made a part hereof, it appears that the holder of the Note served notice of such substitute trustee's sale by certified mail at least twenty-one (21) days preceding the date of sale on each debtor obligated to pay such indebtedness according to the records of the holder of the Note and as required by law; and

WHEREAS, all prerequisites required by law and/or by the Deed of Trust having been duly satisfied by the holder of the Note and by said substitute trustee;


NOW, THEREFORE, in consideration of the premises and of the payment to me of the sum of \$710,000.00 by the said FRANKLIN FIRST FEDERAL SAVINGS BANK, I, as substitute trustee, by virtue of the authority conferred upon me in writing by the holder of the Note,



have granted, sold and conveyed, and by these presents do grant, sell and convey unto the said FRANKLIN FIRST FEDERAL SAVINGS BANK, its successors and assigns, all of the Property situated in Dallas County, Texas, more particularly described in Exhibit "A" attached hereto;

TO HAVE AND TO HOLD the Property, together with the rights, privileges and appurtenances thereto belonging unto the said FRANKLIN FIRST FEDERAL SAVINGS BANK, its successors and assigns, forever; and I, as said substitute trustee, do hereby bind the said Parkway Jet, Inc., its successors and assigns, to warrant and forever defend the said premises unto FRANKLIN FIRST FEDERAL SAVINGS BANK, its successors and assigns forever, against the claim or claims of all persons claiming or to claim the same or any part thereof.

EXECUTED this the 7th day of May, 1991.

  
\_\_\_\_\_  
LAWRENCE FISCHMAN,  
Substitute Trustee

THE STATE OF TEXAS §  
COUNTY OF DALLAS §

This instrument was acknowledged before me on this the 7 day of May, 1991, by LAWRENCE FISCHMAN.

Melanie J. Illig  
Notary Public in and for  
the State of Texas

My Commission Expires:

5/30/92



**AFFIDAVIT OF NOTICE PREPARATION**

I, Lawrence Fischman, Substitute Trustee under the Deed of Trust, certify that on April 16, 1991, I signed a notice of foreclosure sale, which had been prepared in accordance with the requirements of Section 51.002 of the Texas Property Code, and posted and filed the notice. I further certify that on April 16, 1991, I signed and sealed, in an envelope for mailing, notice(s) of the scheduled foreclosure sale (including a copy of the above-described notice of foreclosure sale), with such notice(s) to be sent by certified mail, return receipt requested, to the Grantor at the following address: Parkway Jet, Inc., Attn: Ray B. Blanchard, President, 15600 NE 8th Street, Suite A-3 332, Bellevue, Washington 98008-3917; Parkway Jet, Inc., c/o Mr. Cecil J. Unruh, Cecil Unruh Properties, Inc., P.O. Box 1477, Rockwall, Texas 75087; Parkway Jet, Inc., c/o Mr. Cecil J. Unruh, Cecil Unruh Properties, Inc., 2255 Ridge Road, Rockwall, Texas 75087-5100; Mr. Ray B. Blanchard, 15600 NE 8th Street, Suite A-3 332, Bellevue, Washington 98008-3917; Mr. Todd C. Coppic, c/o Frederick M. Mowrer, Esq., Law Offices of Raymond G. Sanchez, 115 Eighth Street, SW, Post Office Box 1966, Albuquerque, New Mexico 87103, and to each debtor who, according to my records and the records of Beneficiary, is obligated to pay the debt.

LAWRENCE FISCHMAN

SUBSCRIBED AND SWORN, TO BEFORE ME by the said LAWRENCE FISCHMAN, on this the 7 day of May, 1991, to certify which witness my hand and seal of office.

*Melanie J. Illig*  
Notary Public in and for  
the State of Texas

My Commission Expires:

5/30/92



**AFTER RECORDATION RETURN TO:**

Lawrence Fischman, Esq.  
Seeligson & Steinberg, P.C.  
2200 One Galleria Tower  
13355 Noel Road  
Dallas, Texas 75240

**GRANTEE'S ADDRESS:**

Franklin First Federal Savings Bank  
44 West Market Street  
Wilkes-Barre, Pennsylvania 18773

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## EXHIBIT "A"

A SUB-LEASEHOLD ESTATE in and to the following described property as created by that certain Lease Agreement by and between the City of Addison, Texas, a municipal corporation, lessor, and Addison Airport of Texas, Inc., a Texas corporation (successor to Addison Airport, Inc.), lessee, for a term and upon the terms, conditions and provisions contained in said Lease as disclosed by instrument recorded in Volume 84158, Page 84; and as created by that certain Sub-Lease, dated 9/28/83, by and between City of Addison, Texas, a municipal corporation and Addison Airport of Texas, Inc., a Texas corporation, as Lessors, and Parkway Jet, Inc., as Lessee, for the term and upon the terms, conditions and provisions contained in said Sub-Lease, filed 8/8/84, and recorded in Volume 84158, Page 84, Deed Records, Dallas County, Texas.

BEING a tract of land situated in WILLIAM LOMAX SURVEY, ABSTRACT NO. 792 in the City of Addison, Dallas County, Texas, and also being situated on Addison Municipal Airport, and being more particularly described as follows:

COMMENCING at the intersection of the South line of Westgrove Road with the West line of Addison Road (60' ROW);

THENCE West, along the South line of Westgrove Road, 759.59' to a point in the West line of Claire Chenault (60' ROW);

THENCE South 00°07'20" East, along the West line of Claire Chenault, 261.58' to the beginning of a curve to the right;

THENCE Southwesterly, along the West line of Claire Chenault and along the curve to the right which has a chord that bears South 21°41'11" West, a central angle of South 43°29'42" West, along the Northwest line of Claire Chenault, 480.50' to the POINT OF BEGINNING, a "+" on concrete for corner;

THENCE South 43°29'42" West, continuing along the Northwest line of Claire Chenault, 22.00' to an iron rod set for corner;

THENCE North 46°50'17" West, 391.95' to an iron rod set for corner;

THENCE North 43°22'26" East, 181.81' to a "+" on concrete for corner;

THENCE North 46°37'34" West, 60.00' to a point in the centerline of Taxiway "F", a "+" on concrete for corner;

THENCE North 89°55'19" East, 248.02' to a "+" on concrete for corner;

THENCE South 43°22'26" West, 149.79' to a "+" on concrete for corner;

THENCE South 46°37'34" East 40.00' to a "+" on concrete for corner;

THENCE South 43°22'26" West, 180.00' to a "+" on concrete for corner;

THENCE South 46°50'17" East, 191.95' to the POINT OF BEGINNING and containing 1.135 acres of land, more or less.

91092 2563

FILED  
91 MAY 10 AM 10:50  
EARL BULLOCK  
COUNTY CLERK  
DALLAS COUNTY

Any provision herein which restricts the sale, rental, or use of the described real property because of color or race is hereby and unenforceable under Federal law.  
STATE OF TEXAS COUNTY OF DALLAS  
I hereby certify this instrument was filed on the date and hour named herein by me and was duly recorded in the volume and page of the record records of Dallas County, Texas as designated herein by me.

MAY 10 1991



*Earl Bullock*  
COUNTY CLERK, Dallas County, Texas

AGREEMENT FOR  
OPERATION OF THE ADDISON AIRPORT  
BETWEEN  
THE CITY OF ADDISON, TEXAS  
AND  
ADDISON AIRPORT, INC.

COUNTY OF DALLAS

THIS AGREEMENT, made and entered into the 30th day of December, 1976, by and between the CITY OF ADDISON, TEXAS, a municipal corporation acting by and through the City Council (hereinafter "City") and ADDISON AIRPORT, INC., a Texas corporation (hereinafter "Company"), with an address at P.O. Box 34067, Dallas, Texas 75234.

## WITNESSETH:

WHEREAS, the City has entered into a Contract of Sale whereby the City will acquire the principal portions of the existing Airport known as Addison Airport, in Dallas County, Texas. It being contemplated that the City will purchase approximately three hundred sixty-four (364) acres ("Property"), in part with federal funds available for such purpose, the Property being reflected and described on Exhibit "1" attached hereto.

WHEREAS, the City and the Company are desirous of having the Company operate and conduct all lawful, reasonable and appropriate activity at the Airport for the use of the general public and generally in accordance with the operations description set forth in Section 7 hereof, and

WHEREAS, in the exercise of its lawful authority, the City has entered into that certain Grant Agreement with the United States of America (acting through the Federal Aviation Administration (FAA), dated December 30, 1976, for the purpose of obtaining funds for the acquisition of the Property.

WHEREAS, the Company agrees to carry out the terms and conditions set forth in that certain Grant Agreement; and

WHEREAS, the City, during the term of this Agreement, agrees to consult with the FAA on the adjustment or modification of any term or condition in the Grant Agreement which because of the peculiar circumstances of the Airport operation the Company believes to be unworkable or impractical; and

WHEREAS, it has been found and determined by the City in accordance with its lawful duties, that it is essential, appropriate and necessary for its public purposes and for the public to acquire such adequate general aviation facilities; and

WHEREAS, the Mayor of the City of Addison has been duly authorized and empowered to execute the Agreement; and

WHEREAS, it is the intention of the parties that the Airport shall be operated in a manner as would be accomplished by a reasonably prudent airport operator and in accordance with sound business practices;

NOW, THEREFORE, for and in consideration of the mutual covenants, conditions and agreements herein set forth, the parties hereto hereby agree and contract as follows:

The City hereby leases to Company, and the Company hereby takes, upon the terms and conditions hereinafter specified, the following premises:

- (i) the land described in Exhibit "1" as the Property and the Improvements thereon owned by the City;
- (ii) all easements, rights and appurtenances relating to the land (all property described in clauses (i) and (ii) above is herein sometimes collectively called the "Leased Premises"); and
- (iii) City hereby assigns to Company all of its right, title and interest in and to the leases set forth in Exhibit "B" to the Contract of Sale.

As consideration for this Agreement, and in addition to the rents payable hereunder, the Company agrees to pay to the City the sum of Eight Hundred Thousand (\$800,000.00) Dollars, in cash, said payment to be made simultaneous with the release of this Agreement from escrow pursuant to that certain Escrow Agreement dated December 30, 1976, by and between the City, Company and Southwest Land and Title Company ("Escrow Agreement").

In the event this Agreement is not delivered out of escrow to the City and is returned to Company by reason of the Escrow Agreement, the Company shall have no liability for any payment to the City hereunder and this entire Agreement shall be null and void and of no force or effect as of the date this Agreement is executed.

## Section 1. Definitions

- (a) "Airport" means the Addison Airport as shown on Exhibit "2" hereof;
- (b) "Improvements" means all improvements that specifically serve the Airport, including, but not limited to, streets, roadways, parking areas, aprons, runways, sewers and waterlines, all buildings and structures and additions, substitutions, accessions, and replacements thereto on the Leased Premises.
- (c) "Gross Receipts" means all monies paid to the Company for sales made and for services rendered or agreed to be rendered at or from the Airport regardless of the time or place of receipt of the order therefor, and for sales made and for services rendered or agreed to be rendered outside the Airport if the order therefor is received at the Airport, the charges, rentals, fees and other payments of whatever kind of nature paid to the Company under any lease, sublease, permit, license, or any other agreement, oral or written, relating to the Airport, all landing, parking and other fees and charges paid to the Company from any user of the Airport, revenues paid to the Company for the sale or delivery of aviation fuel, petroleum and other products, including any fuel flowage fees, any other revenues of any type arising out of or in connection with the Company's services and operations at the Airport, including its operations thereof. Any addition, change, modification or alteration in the Company's method of performing its Airport function or responsibility which would adversely affect the Gross Receipts shall first require the approval of the City.

## Section 2. Representations by City

The City is the duly and lawfully created, existing and recognized owner of the Leased Premises, having the power to enter into the transactions hereunder, and by proper action the City has been duly authorized to execute and deliver this Agreement.

## Section 3. Representations by Company

The Company is a corporation duly incorporated under the laws of the State of Texas, is in good standing under the laws of said State; is duly authorized to do business in the State of Texas; has the power to enter into this Agreement without violating the terms of any other agreement to which it may be a party; and by proper corporate action had been duly authorized to execute and deliver this Agreement.

It generally will occupy and possess the Leased Premises for the public purposes of the City as set forth in Section 7 hereof.

## Section 4. Term of Agreement

Subject to the terms, covenants, conditions and agreements contained in this Agreement, the Company shall have and hold the Leased Premises for a term commencing on the date of closing of the purchase of the Property in the Contract of Sale and ending 20 years hereafter.

The Company agrees to yield and deliver peaceably to the City possession of the Leased Premises together with all buildings, structures, improvements, additions and other installations therein or thereon, on the date of the expiration of this Agreement, promptly and in good operating condition, the intention being that when the Leased Premises are returned to the City they shall be in first-class condition giving due consideration to normal wear and tear and shall be free and clear of any and all liens, debts, contracts, leases or encumbrances of whatsoever kind, nature and description.

## Section 5. Rent

(a) Company shall pay the City, on demand, the sum of \$100,000.00, as a special assessment for public improvements to be made by the City of Addison. The Company shall not be assessed or otherwise be liable for any further such assessments made outside of the Leased Premises during the term of the Agreement.

(b) The Company agrees to pay the City \$6,250.00 per month, or 3% of the Company's monthly Gross Receipts, whichever amount is the greater. Such installment shall be payable to the City of Addison, Dallas County, Texas, commencing on the 20th day of the second month after the effective date of this Agreement for the first month hereof, and on the 20th day of each calendar month thereafter for the calendar month preceding. Payment of such amounts shall be reduced by any real property or personal property taxes assessed by the City of Addison on the Property or assessed by the City of Addison on the Improvements or this Agreement, commencing with the effective date of this Agreement, such reduction to be credited against the next succeeding installments of rent hereunder from and after date of payment of such taxes by the Company. The Company shall render to the City, on the 20th day of each calendar month, a sworn statement showing its Gross Receipts for each preceding month.

## Section 6. Taxes and Assessments

The Company shall pay when due and before any fine, penalty, interest or cost may be added for non-payment: all levies, fees, water and sewer rents or other rents, rates and charges, permit fees, inspection fees and other charges, if any, in each case whether general and special, ordinary and extraordinary, which are lawfully imposed, whether or not the same were within the contemplation of the parties

Agreement, or which may be a lien upon the Leased Premises. The Company shall pay for the personal property lost or destroyed by the City for the year 1976.

#### Section 7. Uses of Leased Premises

(a) The Company shall have control of the operation of the Leased Premises and shall operate them on a nondiscriminatory and uniform basis consistent with the normal public use of airports of a similar kind, and in accordance with all applicable laws and regulations. The use of the areas thereof shall be for the following purposes only:

- (i) For the handling and accommodation of operators, crews and travelers arriving at or departing from the Leased Premises;
- (ii) For the storage, parking, maintenance and servicing of aircraft in covered and open areas;
- (iii) For the sale, maintenance, repair, servicing, overhaul, conversion and modification of aircraft, and aircraft engines, assemblies, accessories and component parts;
- (iv) For the storage of fuel and for the fueling of aircraft;
- (v) For the charter and leasing of aircraft;
- (vi) For schools for the training of aeronautical pilots, mechanics, repairmen, navigators and dispatchers, and other aeronautical personnel;
- (vii) For the storage, parking, maintenance, servicing and fueling of automotive vehicles, automotive equipment and other equipment owned or operated by the Company in connection with the operation of the Leased Premises or by other persons using the Leased Premises for other purposes authorized hereunder;
- (viii) For the operation of stores, concessions and other consumer service activities, reasonably required for the accommodation of operators, crews and travelers arriving at or departing from the Leased Premises by aircraft, and other persons doing business with or who are the guests of the Company or other users of the Leased Premises;
- (ix) For the fabrication, manufacture, testing or development of aeronautical materials which will be used or installed in aircraft at the Leased Premises; and
- (x) For all operational, administrative, office and other such related functions in connection with the activities authorized hereunder;

The provisions of this Section shall be inserted and enforced by the Company in the agreement(s) of any other future user of the Leased Premises.

(b) In the performance of the Uses of the Airport granted by the City hereunder, the Company agrees to operate the Airport for the use and benefit of the public; to make available all airport facilities and services to the public on fair and reasonable terms and without unjust discrimination and to provide space on the Airport, to the extent available, and to grant rights and privileges for use of the landing facilities of the Airport to all qualified persons, firms and corporations desiring to conduct aeronautical operations at the Airport.

(c) The Company shall perform the above-named Uses in a manner which shall be compatible with the latest FAA-approved Airport Layout Plan.

(d) Any clause or provision of this Agreement to the Company notwithstanding:

(i) The Company agrees to operate the Airport in accordance with the obligations of the City to the Federal Government under above-described Grant Agreement. In furtherance of this general covenant, but without limiting its general applicability, the Company specifically agrees to operate the Airport for the use and benefit of the public; to make available all airport facilities and services to the public on fair and reasonable terms and without discrimination and to provide space on the Airport, to the extent available, and to grant rights and privileges for use of the landing area facilities of the Airport to all qualified persons, firms and corporations desiring to conduct aeronautical operations on the Airport. In this connection, the Company may from time to time adopt standard rules and regulations concerning the use and operation of the Airport, provided such rules and regulations shall not constitute a violation of the Grant Agreement.

(ii) It is specifically understood and agreed that nothing herein contained shall be construed as granting or authorizing the granting of an exclusive right within the meaning of Section 308a of the Federal Aviation Act.

(iii) The City reserves the right to take any action it considers necessary to protect the aerial approaches to the Airport against obstruction, together with the right to prevent the Company from erecting, or permitting to be erected, any building or other structures on the Airport which, in the opinion of the City, would limit the usefulness of the Airport or constitute a hazard to aircraft.

(iv) This Agreement shall be subordinate to the provisions of any existing or future agreement entered into between the City and the United States to obtain federal aid for the improvement or operation and maintenance of the Airport.

#### Section 8. Orderly Conduct of Operations

The Company shall conduct its operations in a proper and orderly manner and will not annoy, disturb or be offensive to others. The Company shall take all reasonable measures to control the conduct, demeanor and appearance of its employees, agents, representatives, contractors, and the conduct and demeanor of its customers, invitees and those doing business with it in the Leased Premises.

The terms of this Section shall be inserted and enforced by the Company in the agreement(s) of any other user of the Airport.

#### Section 9. Standards of Operation

The Company shall not knowingly commit any nuisances on the Leased Premises, or do or permit to be done anything which may result in the creation or commission of a nuisance on the Leased Premises.

The terms of this Section shall be inserted and enforced by the Company in the agreement(s) of any other user of the Airport.

#### Section 10. Insurance

The Company will maintain at its expense insurance on the Leased Premises of the following character:

(a) Insurance against loss or damage to improvements by fire, lightning, other risks from time to time included under the standard extended coverage policies, and sprinkler and vandalism and malicious mischief, all in amounts sufficient to prevent City or Company from becoming co-insurers of any loss under the applicable policies but in any event in amounts not less than 80% of the full insurable value of the Leased Premises. The term "full insurable value" as used herein means actual replacement value at the time of such loss. Upon request, such replacement value shall be determined by a qualified appraiser, a copy of whose findings shall be submitted to City, and, thereafter, proper adjustment in the limits of insurance coverage shall be affected.

(b) General public liability insurance against claims for bodily injury, death or property damage occurring on, in or about the Leased Premises, such insurance to afford protection to City of not less than \$500,000.00 with respect to any one accident, and not less than \$200,000.00 with respect to property damage. Policies of such insurance shall be for the benefit of City and Company.

(c) Workmen's compensation insurance covering all persons employed by Company in connection with any work done on or about the Leased Premises with respect to which claims for death or bodily injury could be asserted against City, Company or the Leased Premises, or in lieu of such workmen's compensation insurance, a program of self-insurance complying with the rules, regulations and requirements of the appropriate state agency of the State of Texas.

(d) If applicable, boiler and pressure vessel insurance on all steam boilers, parts thereof and appurtenances attached or connected thereto which by reason of their use or existence are capable of bursting, erupting, collapsing, imploding or exploding, in the minimum amount of \$100,000.00 for damage to property resulting from such perils.

(e) Such other insurance on the improvements in such amounts and against such other insurable hazards which at the time are commonly obtained in the case of property similar to the improvements.

(f) In addition to all other insurance required hereunder, the Company will maintain at its expense hangar keeper's liability insurance providing for coverage in the following limits: \$200,000.00 per aircraft and \$400,000.00 per occurrence on property damage to aircraft in the care, custody or control of the Company.

#### Section 11. Carriers, Insureds, etc.

The insurance referred to in Section 10 shall be effected under a valid and enforceable policy or policies or contract or contracts issued by (i) an insurer or insurers permitted to do business in the State of Texas approved by the City, which approval will not be unreasonably withheld. Such insurance shall name as the insured parties thereunder the City and the Company, as their respective interest may appear. The Company may prosecute any claim against, or contest any settlement proposed by, any insurer at its expense. In such event, the Company may bring such prosecution or contest any settlement in the name of the City, Company or both, and City will join therein at the Company's written request upon the City's receipt of an agreement by the Company to indemnify City against all costs, liabilities and expenses in connection with such prosecution or contest.

#### Section 12. Delivery of Evidence of Insurance

Company shall deliver to the City at the execution and delivery of this Agreement the original or duplicate policies or satisfactory



evidence of insurance or insurance certificate for insurance required in Section 10 hereof. The Company shall, at least ten days prior to the expiration of any such insurance, deliver in the place of expired policies other original policies or other certificates of the insurers endorsed as in above provided in Section 10 hereof evidencing renewal of such insurance.

#### Section 13. Casualty

If any improvements or any part thereof owned by the City shall be damaged or destroyed by fire, theft or other casualty, the Company shall with reasonable promptness and diligence, rebuild, replace, and repair any damage or destruction to the improvements, at its expense in conformity with the requirements of Section 14, in such manner as to restore the same to a unit of equal size, quality and condition to that which existed prior to such damage or destruction. Insurance proceeds payable with respect to such casualty shall belong to the Company to the extent necessary to make such repairs.

It is agreed that damage or destruction, whether partial or total, by any cause whatsoever, of the improvements, except upon termination of this Agreement as is provided for herein, shall not release the Company from any obligation under this Agreement.

#### Section 14. Maintenance and Repair

The Company agrees and acknowledges that it has received the Leased Premises in good order and condition, and further agrees to accept the premises as is. The Company further agrees that it will, at its expense, keep and maintain the Leased Premises, and the improvements in good repair and appearance, and in good mechanical condition, except for ordinary wear and tear, and will with reasonable promptness make all, interior and exterior, structural and non-structural, foreseen and unforeseen, ordinary and extraordinary changes, repairs, substitutions and replacements (substantially equivalent to the original work) of any kind and nature which may be required to be made upon or in connection with the Leased Premises and improvements or any part thereof, in order to keep and maintain the Leased Premises and improvements in as good repair, mechanical condition and appearance as they were originally, except for ordinary wear and tear.

#### Section 15. Failure to Commence and Complete Repairs

In the event the Company fails to commence or complete repairs, replacements or painting which is required hereunder within a period of thirty days after written notice from the City, or fails to continue and diligently complete any such repair, the City may at its option make such repairs, replacement or do such painting, the cost of which shall be paid by the Company upon written demand.

Subject to the right of existing sub-leases, the City, by its officers, employees, agents, representatives and contractors shall have the right at all reasonable times to enter upon the Airport for the purpose of inspecting the Leased Premises, for observing the performance by the Company of its obligations under this Agreement, and for the doing of any act or thing which the City may be obligated or have the right to do under this Agreement.

Nothing in this Section shall impose or shall be construed to impose upon the City any obligations to construct or maintain or to make repairs, replacements, alterations or additions, or shall create any liability for any failure to do so. The City shall not in any event be liable for any injury or damage to any property or to any person happening on or about the Leased Premises nor for any injury or damage to the Leased Premises nor to any property of the Company or of any other person located in or thereon other than those occasioned by the acts of the City.

#### Section 16. Alterations, Construction by Company for Airport Purposes

Company may erect structures, make improvements, install fixtures, or do any other construction work on the Leased Premises, or alter, modify or make additions, improvements, repairs to, or replacement of any improvements or any structure now existing or hereafter built on the Leased Premises.

Any such alterations, additions, improvements, installations, repairs, substitutions or replacements shall be expeditiously completed, in compliance with all laws, ordinances, orders, rules, regulations and requirements applicable thereto. All work done in connection with each such alteration, addition, improvement, installation, repair, substitution or replacement shall comply with the requirement of any insurance policy required to be maintained by Company hereunder, with any applicable requirements of the Agreement.

Any improvement to or alteration of the Airport under this Section or under Section 17 shall be consistent with the latest FAA-approved version of the Airport Layout Plan.

#### Section 17. Alteration, Construction by City

The City may erect structures, make improvements, install fixtures, or do any other construction work on the Airport, whether Airport-related or not; provided, however, the erection of such structures, the making of such improvements, the installation of such fixtures, or the doing of such construction work shall not unreasonably interfere with the operation or development of the Airport, including the maximization of revenues. The City shall give the Company reasonable advance written notice of any action taken hereunder.

Any such alterations, additions, improvements, installation, repairs, substitutions or replacements shall be completed in compliance with all laws, ordinances, orders, rules, regulations and requirements applicable thereto. All work done in connection with each alteration, addition, improvements, installation, repair, substitution or replacement shall be done at the City's expense and shall comply with the requirement of the insurance policy required to be maintained by the City or Company, hereunder. As to any construction, buildings or other structures constructed by the City which are not related to the Airport and its operations, Company shall not be required to furnish insurance.

#### Section 18. Liens

The Company will not directly or indirectly create or permit to be created or to remain, and will promptly discharge, at its expense, any mortgage, lien, security interest, encumbrance or charge on, pledge of, or conditional sale or other title retention agreement with respect to:

- (a) The Leased Premises or any part thereof,
- (b) City's ownership interest, or
- (c) the Rent or other sums payable by Company under this Agreement.

The existence of any mechanic's, laborer's, materialmen's, supplier's, or vendor's lien, or any right in respect thereof shall not constitute a violation of this provision if payment is not yet due upon the contract or for goods or services, or the lien(s) are being contested in good faith by the Company.

This Section shall not apply to security interests or other liens with respect to buildings or improvements on, or which may later be constructed on, the Leased Premises which are not owned by the City.

#### Section 19. Prices and Rates

The Company shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service. In furtherance of this objective, a list of charges will be maintained and available for inspection by the public for all services, materials, supplies and privileges provided by the Company and any Airport tenant. However, the Company, and any Airport tenant, may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

The Company shall, from time to time, as the need arises, make and publish changes in the prices being charged; provided, however, fifteen (15) days prior to any such changes, the Company shall provide to the City a list of such charges. If no objection is received by the City to such changes in prices within fifteen (15) days, the price changes shall become effective. The City may object to any changes in prices within the fifteen-day period; provided, however, the only basis for any such objection by the City will be on the ground that such pricing change would constitute a violation of a present or future Grant Agreement with the Federal Aviation Administration.

It is further understood and agreed that in the event others on the Airport undertake to sell or dispense fuels or lubricants for aircraft or other machinery being used on the Airport, the Company shall impose reasonable standards consistent with any grant agreements with respect to any fueling operations in order to assure adequate safety and efficient operations on or about the Airport. Further, any persons selling or dispensing fuel or lubricants for aircraft or other machinery shall pay to the Company a reasonable and non-discriminatory fuel flowage fee.

#### Section 20. Subleases

(a) The Company shall have the right and is expressly hereby authorized to sublease such portions of the Leased Premises as it shall deem appropriate for the growth and development of the Airport and the maximization of revenues; provided any such sublease shall be for the purpose of carrying out one or more of the activities set forth in Section 7. During the existence of this Agreement, all revenues from any sublease shall belong to the Company, subject only to the rights of the City to a percentage of Gross Receipts as provided in Section 5 (b).

(b) The Company shall not enter into any sublease with any tenant which is owned or controlled, in whole or in part, by any of the officers, directors or stockholders of the Company without the prior written approval of the City, which approval shall not be unreasonably withheld.

(c) The Company shall not enter into any sublease unless the term of such sublease, including any renewal or option provisions, expires and terminates on or before twenty years after the effective date of this Agreement, without the prior written consent of the City.

any such subcontract its estoppel certificate, certifying unto the Subtenant that this Agreement is in full force and effect.

#### Section 21. Applicable Governmental Requirements

The Company agrees,

(a) at its expense, to procure from governmental authority, having jurisdiction, all licenses, certificates, permits or other authorization which may be necessary for the conduct of its operations or for any additional construction required pursuant to the terms of this Agreement.

(b) that it shall, at its expense, comply with and cause the Leased Premises and Company's operations to comply with all governmental statutes, laws, rules, orders, regulations and ordinances affecting the Leased Premises or any part thereof or the use or occupancy of any part thereof.

#### Section 22. Indemnification

Company covenants and agrees that it will defend, indemnify and save harmless the City, its council, officers, agents and employees from and against any and all actions, suits, claims, demands, liabilities, losses, damages, costs, expenses or judgements of any nature whatsoever, arising from:

(a) any injury to, any nuisance, or the death of any person or any damage to property on the Leased Premises, or any damage to property on the Leased Premises, or in any manner growing out of or connected with the use, non-use, condition or occupancy of the Leased Premises or any part thereof or resulting from the condition thereof,

(b) the ownership, use or non-use or condition of the Improvements, or

(c) violation by Company of any agreement or condition of this Agreement, and of any contract or agreement to which Company is a party, or any restriction, statute, law, ordinance or regulation or otherwise, in each case affecting the Leased Premises or the ownership, occupancy or use thereof.

In case any action or proceeding be brought against the City by reason of any such claim, the Company covenants upon notice from the City to resist or defend such action, and the City will cooperate and assist in the defense of such action or proceeding, if reasonably requested so to do by the Company; provided, however, that the Company shall not be liable for damages not covered by insurance required to be carried pursuant to this Agreement and caused solely by the negligence or deliberate act of the City, or any of its council, officers, agents, servants or employees. This provision shall not operate to indemnify others when liability for damages arises due to the fault of such others, unless they are insured or indemnified parties under the insurance policies or contracts required by this Agreement.

#### Section 23. Federal Airport Aid

The City has made application to the Federal Aviation Administration for a grant(s) of federal funds to partially defray the cost of acquiring the Leased Premises. The Company, in its management, operation, maintenance and use of the Airport, shall be subject to and hereby assumes the terms, conditions and provisions of any and all grant agreements and project applications imposed on the City by the Federal Aviation Administration, and any other federal obligations or restrictions with respect thereto. The Company shall in its agreements with other users of the Airport insert in said agreements the appropriate provisions and requirements as required by any and all of the provisions of the grant agreement and the project applications, the assurances set forth therein and any other federal obligations or restrictions with respect thereto.

To the extent that the City considers it prudent, considering the requirements attached to the acceptance of such funds, the City shall continue to apply for and make maximum use of all available federal and state funds for the development of the Airport; provided nothing in this Section obligates or requires the City to apply for such funds, other than funds necessary to acquire Additional Purchases.

#### Section 24. Notice to Indemnified Parties

Notwithstanding the indemnification set forth in Section 22, the Company shall forward to the City a copy of every notice, summons, complaint, or other process received in any legal proceedings encompassed by such indemnification or in any way affecting the rights of the City, or any other indemnified party.

#### Section 25. Liability of Officials

No officers, agent or employee of the City or the Company shall be personally liable for any of their acts carrying out the provisions of the Agreement, in exercising any power or authority granted to them pursuant to the Agreement, it being understood that in such matters they act as agents and representatives of the City and the Company.

#### Section 26. Non-Discrimination

Company will, in its operations on the Airport, be bound by the Civil Rights obligations imposed on the City. Company will not deny any benefits to or otherwise discriminate against any person or group on the basis of race, color, sex, or national origin. Company will comply with applicable portions of, and will effect City's compliance with the Attachment 2 (including OST Regulations, Part 21) attached hereto and incorporated herein by reference for all purposes.

#### Section 27. OMBE: Advertisements, Bids, Concessions:

In addition to complying with the above and normal procedures required of the City by state/federal law and agreements, the Company will send a copy of all invitations for bids, advertised or negotiated, for concessions or other businesses at the Airport to the appropriate Office of Minority Business Enterprise (OMBE) representative as identified by the FAA Regional Civil Rights Office. The Company will disclose and make information about the contracts, contracting procedures and requirements available to the designated OMBE representative and minority firms on the same basis that such information is disclosed and made available to other organizations or firms. Responses by minority firms to invitations for bids shall be treated in the same manner as all other responses to the invitations for bids.

#### Section 28. Assignment

Except as explicitly set forth herein or contemplated by this Agreement, the Company shall not assign, sublet, sell, convey or transfer its rights under this Agreement or any part thereof without the prior written consent of the City, provided, however, that this Agreement may be assigned in its entirety without such consent for a period of one year from the effective date of this Agreement. The City hereby agrees that it will not unreasonably withhold its consent to such an assignment or sublease, sale, transfer, and shall not make any charge for any such assignment, sublease, sale or transfer made with its consent.

#### Section 29. Events of Default and Remedies

The following shall be "events of default" as to the Company under this Agreement and the term "event of default" as to the Company shall mean, whenever it is used this Agreement, any one or more of the following events:

(a) Failure by the Company to pay when due or cause to be paid when due the Rent required to be paid under Section 5 hereof.

(b) Failure by the Company to observe and perform any covenant, condition or agreement on its part to be observed or performed for a period of thirty days after written notice, specifying such failure and requesting that it be remedied, given to the Company by the City, unless the City shall agree in writing to an extension of such time prior to its expiration.

(c) The Leased Premises shall be abandoned, deserted or vacated by the Company or any lien shall be filed against the Leased Premises or any part thereof in violation of this Agreement and shall remain unleased for a period of sixty days from the date of such filing unless within said period the Company is contesting in good faith the validity of such lien.

(d) The dissolution or liquidation of the Company or the filing by the Company or a voluntary petition in bankruptcy, or failure by the Company within sixty days to lift any execution, garnishment or attachment of such consequence as will impair its ability to carry on its operations at the Leased Premises, or the adjudication of the Company as a bankrupt, or general assignment by the Company for the benefit of its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Company in any proceeding for its reorganization instituted under the provisions of the general bankruptcy act, as amended, or under any similar act which may hereafter be enacted. The term "dissolution or liquidation of the Company", as used in this subsection, shall not be construed to include cessation of the corporate existence of the Company following a transfer of all or substantially all of its assets as an entirety, under the conditions permitting actions contained in Section 29 hereof, which such dissolution or liquidation it is acknowledged will occur.

#### Section 30. Remedies on Default

Whenever any event of default as to the Company referred to in Section 30 hereof shall have happened and be subsisting, the City may take any one or more of the following remedial steps as against the Company:

(a) The City may re-enter and take possession of the Leased Premises without terminating this Agreement and sublease (or operate as a sublessee) the Leased Premises for the account of the Company, holding the Company liable for the difference between the rents and other amounts payable by the Company hereunder and the rents and other amounts payable by such sublessee in such subleasing or, if operated by the City, the difference between the net revenues received from such operations and the rents and other amounts payable by the Company hereunder.

(b) The City may terminate this Agreement.

and hereafter to maintain, use, or to exercise performance and observance of any obligation, agreement or covenant of the Company under this Agreement.

**Section 31. No Remedy Exclusive**

No remedy herein conferred upon or reserved to the City is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or hereafter existing under law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the City to exercise any remedy reserved to it in this Section, it shall not be necessary to give any notice, unless such notice is herein expressly required by law.

**Section 32. No Additional Waiver Implied**

In the event any covenant contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

**Section 33. Termination by Company**

The Company may terminate this Agreement upon the occurrence of any one or more of the following reasons:

(a) In the event the Airport shall be closed or its operations curtailed by more than fifty percent of its achieved operating level in terms of daily average departing and arriving flights, the Company in its reasonable discretion may cease or curtail its operations in the Leased Premises during the period that the Airport operations have ceased or have been so curtailed, and if such condition shall continue unabated for more than two years, the Company shall have the right and option to terminate the Agreement upon thirty days prior written notice to the City.

(b) The City shall fail to perform any of its obligations under this Agreement within sixty days after receipt of notice of default hereunder from the Company (except where fulfillment of its obligations require activity over a period of time and the City shall commence to perform whatever may be required for fulfillment within sixty days after the receipt of notice and continue such performance without interruption, except for causes beyond its control).

Upon the occurrence of any of the foregoing events, or at any time thereafter during the continuation of any such condition, the Company may, by sixty days written notice terminate this Agreement, such termination to be effective upon the date set forth in such notice and to have the same effect as if the terms hereof had expired on that date, subject, as aforesaid, to the provisions of this Section.

No waiver by the Company of any default on the part of the City, in the performance of any of the terms, covenants or conditions hereof to be performed, kept or observed by the City shall be or shall be construed to be a waiver by the Company of any other or subsequent default in the performance of any of said terms, covenants and conditions.

**Section 34. Access and Egress**

Except as set forth in this Agreement, the City hereby grants to the Company full and unrestricted access to and egress from the Leased Premises and between the Leased Premises and the public roadways for the Company, its employees, guests, patrons, invitees, contractors, suppliers of materials, furnishers of services, its or their equipment, vehicles, machinery and other property, without charge to Company or to said employees, guests, patrons, invitees, contractors, suppliers of materials and furnishers of services, or their said equipment, vehicles, machinery or other property.

**Section 35. Company's Right to Remove Property**

The Company shall have the right at any time during the term of this Agreement or any renewal or extension thereof, or at the expiration or earlier termination thereof, to remove any nonessential personal property which it may have on the Leased Premises, including, without limitation, furniture, equipment and machinery; provided the City will purchase from the Company, at its then fair market value, any personal property which the City deems essential.

**Section 36. Termination, Settlement**

In the event the City exercises its right to terminate the Agreement or any part thereof, the Company and the City shall endeavor in good faith to negotiate a sale by the Company to the City or its designee of the Company's personal property located on the Leased Premises. Upon termination of the Agreement, the City may, and the Company shall, remove any improvements on the Leased Premises belonging to the Company at the Company's expense if required by the City.

**Section 37. Settlement**

In the event that any sums due or to become due the Company upon termination of this Agreement are paid or payable to the City, the City shall not have any obligation to make such payment or settlement to the Company,

- (i) until receipt of payment due to City from Company in accordance with pertinent provisions of this Agreement under which termination is permitted and,
- (ii) until Company has paid all other sums due under this Agreement.

**Section 38. Quiet Enjoyment**

The City covenants that through the term hereof, the Company shall have, hold and enjoy peaceful and uninterrupted possession of all of the Leased Premises, subject to the performance of the covenants as herein provided.

**Section 39. No Third Party Beneficiary**

No provision contained in or incorporated by the Agreement shall create or give to any third party or parties any claim or right of action against the Company or the City, beyond such claims or rights of action which legally exist in the absence of any provision of said Agreement.

**Section 40. Severability**

Each and every covenant and agreement contained in this Agreement is and shall be construed to be a separate and independent covenant and agreement.

**Section 41. Binding Effect**

All of the covenants, conditions, and obligations contained in this Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the City and the Company, subject to the limitations contained herein restricting such assignment by the Company, to the same extent as if each such successor and assign were in each case named as a party to this Agreement. This Agreement may not be altered, modified, or discharged except by a writing signed by the City and the Company.

**Section 42. Governing Law**

This Agreement shall be governed by and interpreted under and in accordance with the laws of the State of Texas.

**Section 43. Venue**

The venue of any action drawn under this Agreement shall lie in Dallas County, in the State of Texas.

**Section 44. Force Majeure**

Neither the City or the Company shall be deemed in violation of this Agreement if it is prevented from performing any of the obligations hereunder by reason of strikes, boycotts, labor disputes, embargoes, acts of God, acts of the public enemy, acts of superior governmental authority, weather conditions, floods, riots, rebellion, sabotage, or any other circumstances for which it is not responsible or which is not in its control, and the time for performance shall be automatically extended by the period the party is prevented from performing its obligations hereunder.

**Section 45. Issuance of Revenue Bonds for Future Improvements**

City and Company acknowledge that as the Airport develops such circumstances may require that additional improvements ("Future Improvements") will be needed in order to provide convenient and necessary services at the Airport. Subject to the approval of plans and specifications by the City as submitted by the Company, the City may make such acquisitions, additions, extensions, improvements and modifications to the Airport as shall be recommended by the Company. In order to obtain funds for such purposes, the City, in its discretion, may provide for the issuance of Airport revenue bonds.

**Section 46. Airport Boundaries**

The City will not grant any access, privilege, license, or permission of any kind to any person, firm or corporation using, owning or occupying any land outside the designated boundaries of the Airport as shown on Exhibit "2" hereof, to use or have access to the Airport.

**Section 47. Covenant by Company**

It is understood and agreed by the parties hereto, that the Company will not make any improvements, changes, alterations, modifications, or removals at the Airport, which will effectively destroy the ability of the Airport to render first-class service to its customers and for the maximization of revenue.

Section 48. Record Keeping

The Company shall maintain its books and records with accepted accounting practice and shall be available to an authorized representative of the City for consideration records, books and records and annual audit prepared by an independent Certified Public Accountant. The Company shall permit such authorized representative of the City to inspect such books and records during ordinary business hours of the Company and at times reasonably convenient to the Company.

Section 49. Notices

Notices provided for in this Agreement shall be sufficient if sent by registered mail, postage prepaid, addressed to the City — The City of Addison, P. O. Box 144, Addison, Texas, 75001, Attention: City Administrator, or to such other address and person it may direct in writing; and if to Company — Addison Airport, Inc., P. O. Box 34067, Dallas, Texas 75234, or to such other address and person as it may direct in writing. Notices shall be deemed completed when mailed unless otherwise herein required.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed and sealed as of the date first above written.

ATTEST:

Joyce H. Stevens  
SECRETARY

CITY OF ADDISON, TEXAS

BY: Jerry Redding

APPROVED AS TO FORM:

Robert L. McCall  
CITY ATTORNEY

ADDISON AIRPORT, INC.

ATTEST:

Margaret E. Bunch  
SECRETARY

BY: [Signature]

## FIELD NOTES

(BEING a tract of land out of the E. Cook Survey, Abstract 326, the William Lomax Survey, Abstract 792, the George Syms Survey, Abstract 1344, the William Rowe Survey, Abstract 1257, and part of Lot 1, and Lot 2 of Block "A" of Carroll Estates Addition, Dallas County, Texas, and being more fully described as follows:

BEGINNING at a fence post found for the apparent intersection of the North right-of-way line of Keller Springs Road, a 50 foot street, and the East line of Dooley Road, a 60 foot street, said beginning point being S 89° 58' 54" E 30.00 feet, thence N 0° 05' 50" E 25.00 feet from the apparent northwest corner of the E. Cook Survey, Abstract 326;

THENCE N. 89° 58' 54" W. a distance of 105.72 feet with the North line of said Keller Springs Road to an angle point in the right-of-way;

THENCE N. 56° 19' 03" W. a distance of 90.20 feet with said angle in the right-of-way to a point in the East right-of-way line of Dooley Road;

THENCE N. 0° 03' 47" W. a distance of 1457.70 feet with the East line of said Dooley Road to a point;

THENCE N. 20° 38' 30" W. a distance of 170.87 feet to the apparent West right-of-way line of said Dooley Road;

THENCE S. 0° 03' 47" E. a distance of 313.49 feet with the apparent West line of said Dooley Road to a point;

THENCE N. 89° 23' 56" W. a distance of 208.00 feet to an iron pin;

THENCE N. 0° 14' 32" W. a distance of 161.00 feet to an iron pin;

THENCE N. 89° 56' 00" W. a distance of 203.65 feet to a point;

THENCE N. 20° 38' 30" W. a distance of 2156.07 feet to a point in the apparent East right-of-way line of New Dooley Road, a 100 foot street;

THENCE N. 0° 09' 30" E. a distance of 1189.87 feet with the East line of said New Dooley Road;

THENCE N. 89° 53' 26" E. a distance of 1185.44 feet to a point in the apparent West line of Dooley Road;

THENCE S. 0° 03' 47" E. with the apparent West line of Dooley Road, at 335.02 feet passing a concrete monument for a total distance of 1550.38 feet to an iron pin;

THENCE S. 20° 46' 10" E. a distance of 539.44 feet with the West line of said Dooley Road to an iron pin for the beginning point of a curve to the left;

THENCE in a southeasterly direction with the curved West line of said Dooley Road having a central angle of 69° 19' 04", a radius of 337.18 feet a distance of 407.83 feet to a point in the South right-of-way line of Keller Springs Road;

THENCE N. 89° 54' 46" E. a distance of 2135.61 feet with the South line of said Keller Springs Road to a point in the West right-of-way line of Addison Road;

THENCE S. 0° 14' 20" E. a distance of 307.44 feet with the West line of said Addison Road to an iron pin;

THENCE S. 89° 45' 40" W. a distance of 200.00 feet to a point;

THENCE S. 0° 14' 20" E. a distance of 210.72 feet to a point;

THENCE S. 43° 16' W. a distance of 1595.28 feet to an iron pin;

THENCE S. 46° 44' E. a distance of 202.51 feet to a point;

THENCE S. 20° 43' E. a distance of 350.85 feet to a point;

THENCE N. 69° 17' E. a distance of 30.00 feet to a point;

THENCE N. 71° 12' 51" E. a distance of 185.72 feet to a point;

THENCE N. 44° 44' 08" E. a distance of 7.05 feet to an iron pin found for the Southwest corner of a tract of land conveyed to O.J. Broughton and E.E. Ericson by deed recorded in Volume 4350, Page 491, Deed Records of Dallas County;

THENCE N. 89° 54' 40" E. a distance of 819.46 feet with the South line of the Broughton tract to an iron pin in the West line of said Addison Road;

THENCE S. 0° 14' 20" E. a distance of 490.82 feet with the West line of said Addison Road to a point in the apparent common survey line between the William Lomax Survey, Abstract 792, and the E. Cook Survey, Abstract 326;

THENCE S. 89° 37' 20" E. a distance of 58.08 feet with said common survey line to a point in the West line of said Addison Road and the beginning of a curve to the left;

THENCE Southerly with said curve, and the West line of Addison Road, having a central angle of 1° 53' 11", a radius of 746.30 feet, for a distance of 24.57 feet;

THENCE S. 26° 12' 50" E. 34.05 feet with the West line of Addison Road to the beginning of a curve to the right;

THENCE in a southeasterly direction with the curved West line of said Addison Road having a central angle of 25° 50', a radius of 686.30 feet for a distance of 309.44 feet;

THENCE S. 0° 22' 50" E. a distance of 2081.91 feet with the West line of said Addison Road to an angle point in the right-of-way;

THENCE N. 89° 37' 10" E. a distance of 10.00 feet with said angle in the right-of-way to a point in the West line of said Addison Road;

THENCE S. 0° 22' 50" E. a distance of 812.30 feet with the West line of Addison Road to a point;

THENCE S. 69° 37' W. a distance of 185.70 feet to a point;

THENCE S. 0° 22' 50" E. a distance of 263.11 feet to a point;

THENCE S. 66° 06' 26" W. a distance of 17.27 feet to a point;

THENCE S. 0° 22' 50" E. a distance of 211.04 feet to an iron pin in the North right-of-way line of the St. Louis and Southwestern Railroad;

THENCE S. 66° 06' 26" W. a distance of 759.90 feet with the North line of said St. Louis and Southwestern Railroad to an iron pin and the west easterly corner of Addison Airport Industrial District;

THENCE N. 67° 01' 55" W. a distance of 273.80 feet to an iron pin in the easterly line of said Addison Airport Industrial District;

THENCE N. 20° 39' 35" W. a distance of 572.28 feet with the easterly line of said Addison Airport Industrial District to an iron pin;

HENCE S. 75° 48' 25" W. a distance of 95 feet to a point;  
 HENCE N. 89° 56' 35" W. a distance of 658.63 feet to a point;  
 HENCE N. 0° 03' 25" E. a distance of 160.00 feet to a point;  
 HENCE N. 89° 56' 35" W. a distance of 160.00 feet to a point in the East right-of-way line of Dooley Road;  
 HENCE N. 0° 03' 25" E. a distance of 10.00 feet with the East line of Dooley Road to a point;  
 HENCE S. 89° 56' 35" E. a distance of 797.46 feet to a point;  
 HENCE N. 75° 48' 25" E. a distance of 408.36 feet to an iron pin in the easterly line of said Addison Airport Industrial District;  
 HENCE N. 20° 39' 35" W. a distance of 2386.20 feet with the easterly line of said Addison Airport Industrial District to an iron pin for the northeast corner of Addison Airport Industrial District;  
 HENCE N. 20° 43' 53" W. a distance of 320.72 feet to an iron pin;  
 HENCE N. 89° 49' 30" E. a distance of 9.98 feet to an iron pin;  
 HENCE N. 20° 17' 10" W. a distance of 389.50 feet to an iron pin;  
 HENCE N. 89° 54' 10" W. a distance of 117.08 feet to an iron pin in the apparent East right-of-way line of said Dooley Road;  
 HENCE N. 0° 05' 50" E. a distance of 502.30 feet with the apparent East line of said Dooley Road to the place of beginning and containing 5.340 acres of land, more or less, save and except the following 1 acre tract:  
 beginning at a fence post found for the apparent intersection of the North right-of-way line of Keller Springs Road, a 50 foot street, and the East line of Dooley Road, a 60 foot street, said point being S. 89° 58' 54" E. 30.00 feet, thence N. 0° 05' 50" E. 25.0 feet from the apparent Northwest corner of the E. Cook Survey, Abstract 326; Thence N. 89° 58' 54" W. 105.72 feet with the apparent North line of Keller Springs Road; Thence N. 55° 19' 03" W. 90.20 feet to a point in the East line of Dooley Road; Thence N. 0° 03' 47" W. 1457.70 feet with the apparent East line of Dooley Road; Thence N. 20° 38' 30" W. 170.87 feet to a point in the apparent West line of Dooley Road and the BEGINNING POINT of this description;  
 HENCE S. 0° 03' 47" E. 209.0 feet with the West line of Dooley Road;  
 HENCE N. 89° 23' 56" W. 208.0 feet to an iron pin;  
 HENCE N. 0° 14' 32" W. 209.0 feet to an iron pin;  
 HENCE S. 89° 23' 56" E. 208.0 feet to the place of beginning and containing 1.0 acres of land, more or less.

This plat hereon is a true and accurate representation of the property as determined by actual survey, the lines and dimensions of said property being as indicated by the plat; all improvements being within the boundaries of the property.  
 All encumbrances of record that could be located are shown. This plat is subject to any easements of record not shown.

5 JAN 1977

Date

*W. J. Wischmeyer*  
 W. J. Wischmeyer  
 Registered Professional Engineer

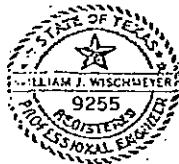


EXHIBIT "A"  
 PROPERTY MAP  
 ADDISON MUNICIPAL AIRPORT  
 ADDISON, TEXAS

Ricwe & Wischmeyer, Inc.

CONSULTING ENGINEERS  
 DALLAS, TEXAS

DECEMBER 1976

